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THE DEVELOPMENT
OF THE
CIVIL SERVICE



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THE DEVELOPMENT OF THE CIVIL SERVICE

Lectures delivered before the
Society of Civil Servants,
1920-21

WITH PREFACE BY
VISCOUNT HALDANE OF CLOAN, O.M.

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PREFACE

I HAD the privilege of occupying the Chair while one of the addresses reproduced in this volume was delivered. The whole of them I have read in print, as they appear in the pages which follow.

One of the main purposes of the volume is, in the words used by Mr. Laski, "to bring the Civil Service into the forefront of parliamentary consciousness." This is vital. For, as Lord Eustace Percy points out in the paper he has written here, a Civil Service may be reduced to impotence and inefficiency in two ways. One way, he says, "is to have no policy and to give it no instructions, and the other is to have more than one policy and to give it conflicting instructions." Now these methods of destroying the chances of the Civil Service have disclosed themselves constantly in the past and they disclose their existence to-day. They are the outcome of a defect in the public habit of mind, one that is common in British Parliaments and in British Ministers who derive from these their authority. That habit is to proceed to immediate action without systematically spending time on prior reflection. The tendency leads to inevitable confusion and waste. But it is in harmony with a parliamentary tradition which

has always laid the main stress on gifts of a parliamentary and platform order. Administrative capacity is not given the same prominence in the public mind as these have. Yet it is really essential if the executive administration is to be of a high order.

It is therefore, as Mr. Laski says, important to awaken the public to awareness of what is wanting. There is only one reliable way of doing this. It is to describe clearly the standard which must be applied. It is not an easy task, for it requires both capacity for thinking and a good deal of experience.

The value to my mind of the papers which follow is that they do go far towards a lucid definition of the standard. If the public will read them and ask those who seek to represent it in Parliament to assimilate the suggestions made, some result should in time begin to make itself manifest. When it does so sufficiently the standard will be applied as it is not to-day in the choice by Prime Ministers of their colleagues. No general principles can be put in operation effectively excepting by ministers who are capable of understanding and suggesting them in their own departments. This is a truth that is no truism. It is habitually disregarded when Governments are formed. The neglect of it is the real source of inefficiency. We talk to-day of Education, but we talk little of the other subject which is an important branch of higher Education, Administration. We are beginning to learn that Law cannot be adequately studied excepting on a more general basis of Jurisprudence. The public,

in its search for advocates and judges fit to do the best for it in intricate cases, is beginning to realize that it will not get what it wants if it neglects learning in the form of basic Jurisprudence and what that implies. But in the case of Administration it has not realized this. It contents itself with weeping over the malady and trying to get rid of the symptoms by rough methods. It has not yet shown much disposition to take obvious causes into consideration. We shall only get enlightened Governments from enlightened Democracies.

Those who wrote the papers which follow have naturally dissociated themselves from political controversy. That is as natural as it is proper. But I doubt whether the questions dealt with can be wholly dissociated from politics. These questions turn on conditions apart from which they would not arise. The conditions themselves must therefore be looked at by the public.

Administration is a science as much as it is an art. In so far as it is a science it is inseparable from knowledge, treated, as it must be treated, as an entirety. Administrative science is a phase, but only one phase, in that entirety. The authors of these essays are obviously well aware of this fact. The average man cannot administer unless he possesses an intelligence that has been adequately trained.

The draft constitution of the new Institute of Public Administration takes note of the necessity for this kind of intelligence, and the Educational Sub-Committee's Report brings out that necessity

in some detail. The atmosphere of university life is referred to, and it is recommended that the science of public administration should "be such a section of University training as to ensure that its study shall in itself be a liberal education and not merely vocational training." The study is to be one of principles. Now that is surely right. It relates the new science to other branches of the higher knowledge, and brings forward the level of the University in the kind of knowledge.

I think that the Civil Service stands well to-day. It is one of the most potent instruments in the State. Its organization is tending to develop, and to develop in a way which points to the control being from the highest standpoint downwards. It is in truth a procedure from what is concrete towards what is more abstract. The spiritual phase tends to dominate that which is apt to be mechanical. The triumph of mind over matter, when it is to be witnessed, always brings about greater fullness of result and, in the end, greater efficiency. It is this that I hope for in the new Civil Service. The higher its ideals the more penetrating will be its influence. To me it is a growing power in the administration of public affairs.

The essays in this volume seem to express this ideal, and it is because they do so that the interest of some of us in the future of that Service is becoming more and more keen.

HALDANE.

March, 1922.

THE CIVIL SERVICE IN ANCIENT CIVILIZATIONS

By M. CARY, M.A., Reader in Ancient History to
the University of London.

THE Civil Service, like most great institutions, was evolved from very modest beginnings. For the most part, ancient societies dispensed with a Civil Service altogether, and only a few outstanding communities carried the formation of a permanent governing staff beyond its rudimentary stages.

The ancient peoples in general had a very imperfect notion of the great power for good which resides in the State, and therefore they made but slight demands on their Governments. Whether we consider the Britons and Gauls as described by Julius Cæsar, the Germans as portrayed by Tacitus, or any other primitive communities of which ancient travellers have given us a sketch, we find that as a rule they merely looked to their Governments to provide protection against foreign enemies, and to arbitrate in such disputes as might lead to a breach of the domestic peace. Such functions as these did not lie beyond the competence of ordinary tribal

kings, clan chiefs, or heads of families ; to call in a professional staff for such elementary work would have been a sheer superfluity. Accordingly in most ancient States a Civil Service was conspicuous by its absence.

Furthermore, in those ancient societies which attained a higher civilization and made a heavier claim on their Governments, the growth of a Civil Service was sometimes retarded by the presence of an amateur body of half-time administrators—usually a governing aristocracy—which often used its powers well and at all times was loath to part with them. In this lecture, therefore, I shall confine myself to two or three countries of the Nearer East—about India and China I am not competent to speak—to Greece and to Rome.

EGYPT.—In exploring the beginnings of ancient civilization we naturally turn first to Egypt, whose records, extending back beyond 4000 B.C., are the longest of any country in the world. Strange to say, even the earliest of these Egyptian records reveal, not a civilization in the making, but a civilization complete in all parts, so to speak. They confront us with a settled population, well acquainted with tillage, with various handicrafts, with the rudiments of several sciences, and with the art of writing. More than this, they indicate some proficiency in that most difficult of all arts, the art of human co-operation. The canals and dykes on which the wealth of Egypt has ever depended were then almost as good as we found them in 1882 ; and the Great Pyramids, it is reckoned, required the joint labour

of 2,000 skilled and 100,000 unskilled workmen—fifty different kinds of labour in all. Under these conditions we need not be surprised to find that the social life of the country was regulated by a complex code of law, requiring a large and well-trained staff to administer it. But such a staff could not be recruited in early Egypt from an amateur governing class, for the Pharaohs had discouraged the growth of such. Accordingly the day-to-day work of government fell on the shoulders of a professional Civil Service, which even in the fourth millennium was as well organized as anything in the land.

This Civil Service, like all such institutions in ancient times, was open to men only. But apparently any man who had graduated in the "Three R's" at one of the many temple schools was qualified to hold office. The Civil Servants usually began their career as scribes, and in this capacity they probably had some hard work, for the Egyptian bureaucracy had, in a high degree, what our French neighbours call "*le culte de la paperasse*." After this apprenticeship they proceeded to executive posts in a number of distinct departments, each of which had its separate promotion ladder.

Among these departments we may enumerate :

1. The *district officers*, who acted as governors of the various counties. These officials combined the functions of our Indian district judges and collectors, and in addition kept up to date the land register, which in Egypt was almost as old as the land itself.

2. The *Board of Works*, which carried out by

means of forced labour the all-important work of embanking and irrigating.

3. A *Munitions Ministry*, which relieved the military officers of the work of equipping the troops.

4. A *police force*, instituted about 2000 B.C., to maintain order in Thebes, the capital in those days.

5. The *Treasury*, or "White House," as the official name went, which collected a large tribute in kind, partly as rent from the Crown Domains, partly in the form of taxes on freeholds. This department had a large staff, including the bailiffs of the royal estates, the keepers of the Privy Purse (which was already distinct from the public chest), and a High Treasurer, who was the second greatest official in Pharaoh's service.

6. At the head of the entire hierarchy stood the Vizier. This officer's duties were as various as Poo-Bah's. He supervised, and received monthly written reports from the district officers. He was "Keeper of Somerset House," the central office in which the Egyptians deposited their wills. As Master of the Rolls he was in charge of the immense Public Records Office. As Lord Chief Justice he presided over a divisional court of professional judges who heard appeals from the county courts.

It would be difficult to estimate the practical efficiency of this Civil Service. But the tone of such fragments of its correspondence as have come down to us is courteous, not to say debonair. Evidently this was a genuine *civil* service, which could afford to be patient and reasonable in consciousness of its strength and usefulness.

So well established was this professional staff at the dawn of Egyptian history that in later ages it underwent little alteration.

In the third millennium its character was somewhat changed by a tendency for the chief officials to convert their posts into hereditary possessions, thus playing over into a feudal type of government. The upshot of this was a typical "feudal anarchy," which was terminated about 2000 B.C. by a new line of Pharaohs at the head of a new type of army of professional soldiers. The Civil Service was now reconstituted on its former lines, but henceforth we hear much less of its doings. About 1500 B.C. the history of Egypt takes a new turn, for the Pharaohs were now tempted into an imperialist policy and devoted their chief energies to Asiatic warfare. The conquests which they made in Syria and Palestine did not, however, lead to an extension of the Civil Service on the lines of our I.C.S., for the Egyptian Emperors left the civilian administration of the subject lands in the hands of the native rulers. On the other hand the military burden which they imposed upon Egypt eventually exhausted even that rich and populous land. In the first millennium accordingly the Egyptians degenerated into a priest-ridden, pacifist herd, who allowed successive invaders to work their will upon them, thus closing the history of Egypt as an independent country.

The Civil Service, however, survived the loss of Egyptian independence and was remodelled in turn by each new foreign ruler. I shall return to this

subject when I come to deal with the reorganization of Egypt under Greek kings.

MESOPOTAMIA.—Though Egypt anticipated most of the world by thousands of years in its development, it ran a neck-and-neck race with Mesopotamia, where under conditions like those of the Nile valley a similarly precocious culture grew up. The records of Mesopotamia do not extend far beyond 3000 B.C., but they reveal a civilization as full-fledged as that of Egypt.

The early rulers of the country exercised a sway no less paternal, and their codes of law were, if anything, more elaborate. In the statutes of Urukagina (c. 3000 B.C.) we find provisions for the State management of irrigation canals, and for arbitration between capitalist landowners and their debtors. The laws of Hammurabi (c. 2000 B.C.) contain clauses regulating repair leases and affording protection against distraint, prescribing minimum wages for labourers and maximum prices for beer.

Of the Civil Service which was required to carry into effect these laws we know comparatively little. We read of irrigation engineers, of land surveyors, and of justices of appeal who sat at Babylon in divisional courts. The co-operation of the services was assured by a State-post, of which energetic rulers like Hammurabi made continual use. Specimens of this king's correspondence with his officials have come down to us: it is couched in a curt and stereotyped jargon which was evidently the result of long practice in administrative technique. But the Mesopotamia Civil Service had not the same range

of activity as the Egyptian. The superior commercial development of the country had brought about an early growth of towns and of municipal governments which maintained such important functions as local jurisdiction and perhaps also tax-collection in their own hands. In Babylon the Civil Service played an essential part, but it was not quite such a "universal provider" as its counterpart in Egypt.

ASSYRIA.—The history of the Babylonian Civil Service is also a comparatively short one, because the "age of the barbarian invaders" set in earlier and lasted longer in Mesopotamia than in Egypt. Not only were the frontiers of Babylonia as weak as those of Egypt were strong, but its people never showed much aptitude for war. The effective defence of Mesopotamia was therefore not ensured till about 1000 B.C., when a new power grew up farther up-river round the town of Nineveh. This Assyrian kingdom solved the problem of defence by elaborating a truly Prussian war-machine and conquering all the people round about by its means. The Assyrian rulers moreover set about to organize their dominions with characteristic thoroughness. The correspondence of King Sargon (c. 700 B.C.) reveals an elaborate partitioning of the Assyrian Empire into provinces, whose governors were carefully graded according to the importance of their district, and were kept in constant touch with the monarch. The King's control was exercised by a State post which plied on the finest system of roads previous to the Roman era. The care with which the Assyrian Kings collected and apportioned their

revenue suggests that in time they would have grafted an elaborate Civil Service on their original military organization. But the Assyrian Empire never lived down the odium created by the "frightfulness" of its founders. Before it could consolidate itself it was exhausted and broken up by its relentless enemies.

PERSIA.—The place of the Assyrian Empire was taken by an even more extensive dominion, that of Persia. This new State played a great part in the general history of its era (*c.* 500 B.C.) but its organization always remained incomplete. Though Persian rulers retained some Assyrian instruments of government, such as their State-post, yet they cut down their official establishment to smaller dimensions. Local administration was mostly left in the hands of municipal bodies or of great land-owners, and the Persians undertook little more than the military supervision of their provinces. The Persian Civil Service therefore was never more than rudimentary.

GREECE.—I now pass on to the people who contributed most of ancient nations to the world's culture, and to the world's political science, the Greeks. No other people has exalted the State as the Greeks did. It was a commonplace among them that the function of the State was not merely to sustain life, but to civilize and ennoble it. Their hardest thinkers, like Plato, had a truly touching faith in the efficacy of State action, and were prepared to abolish such consecrated institutions as the family and private property in order to complete the control

of the State over the individual. Besides this, the Greeks, whose industry was divided up into a great many separate crafts, understood quite well the superiority of the specialist over the Jack-of-all-trades.

Under these conditions one might suppose that the Greeks found plenty of use for the professional State functionary. In point of fact, however, they contributed but little to the evolution of the Civil Service. The reason for this is that they applied to their politics the maxim that "if you want a thing done properly, you should do it yourself." In their opinion the functions of a citizen were not merely to obey the laws but to take an active part in administering them. Indeed the desire for personal participation in government even overmastered the desire for efficiency which had created it. If regard is had solely to efficiency, the Greeks would certainly have done better to amalgamate their numerous small communities into a great national State. Nevertheless they preferred to make shift with a chaos of independent city-States, and all their inconveniences and dangers, because of the greater scope which these Lilliputian States gave to the individual citizen.

Thus we find that Greek administration was essentially of the amateur kind. Indeed in a good many States no preference was given to the man of leisure or education, but even the highest posts were filled with "men in the street." To take but one instance: In the fifth and fourth centuries B.C. Athens was a large city with complex commercial

relations and extensive foreign possessions. Its law courts had to adjudicate on the most difficult cases, and its finances were administered according to most elaborate rules. Yet the entire government was entrusted to half-timers, most of them drawn from the generality of citizens. The only permanent official of any consequence in Athens was the Secretary of Council who drafted laws and regulations in the admirably clear official parlance of his State.

In later days, after the conquests of Alexander the Great, the Greeks found themselves confronted with the task of ruling the motley array of peoples who had previously owned allegiance to Persia. As a rule, the Greek monarchs who shared out Alexander's dominions among themselves broke with the Persian system of government by large landowners. But in their stead they did not set up a Civil Service of any great dimensions. The burden of administration was devolved so far as possible upon the numerous cities of Greek settlers which sprang up in Alexander's wake. The two chief Greek realms in Asia, the kingdom of the Seleucids in Syria and of the Attalids in Asia Minor, might almost rank as confederations of city-States, and the monarch himself as a military protector rather than a chief of administration.

To this rule that the latter-day Greek Kings dispensed with a large professional staff there is one exception. The dynasty of Ptolemies who set up as kings in Egypt followed the line of least resistance, by adopting the surviving government organs of the Pharaohs. The papyri from which we draw most

of our knowledge of Ptolemaic Egypt reveal an official system similar to that of the stone monuments of the Pharaonic period. The district judges, the engineering corps, the police (now transferred to Alexandria), reappear on our documents, together with the old array of financial officials. And though the higher posts in the Service were now reserved for Greeks, the smaller offices remained in the hands of the natives. Altogether, the Ptolemies did not create many new posts. Their tendency was rather to dilute the professional service by introducing trial by jury, the collection of taxes by private contractors, and the custody of the State revenue by banks.

As regards the practical working of this Ptolemaic staff, the officials were not exactly above reproach. We hear the usual stories of adventurers who had used corrupt influence to obtain their posts (there being no examination test to prevent jobbery), and subsequently recovered their outlay by fleecing the natives. Worse still, the Ptolemies exaggerated a tendency which had sprung up among the Pharaohs, of treating the whole country as a mere revenue-producing machine, and subordinating the common weal to purely fiscal objects. Their regulations in restraint of industry and commerce were uncommonly vexatious, and it is not their fault that Egyptian industry and commerce survived. Yet there is no doubt that Ptolemaic Egypt was prosperous and, on the whole, satisfied. The Greek heads of the Civil Service, though not very sympathetic to the natives, were for the most part conscientious, and

they introduced a spirit of energy into the administration which might fairly be compared with that of our Indian Civil Service.

ROME.—It now remains for us to consider the Civil Service of the Romans.

As the Romans were the ruling nation *par excellence* among the ancients, so their Civil Service was the greatest of its kind. Yet, like the Roman Empire itself, it was an afterthought, and grew up, as it were, without the Romans knowing it. At first sight indeed the slowness of its development causes surprise. The Romans were conspicuous among ancient peoples for their sense of discipline and belief in method. The sovereignty of the State did not remain a theory among them, as it tended to do among the Greeks, but was vigorously translated into practice, for no ancient nation gave a greater coercive authority to its State officials. Still more remarkable, perhaps, was the Roman habit of working according to rule. From early days they built their towns and parcelled out their lands according to a fixed plan, and periodically they drew up registers of their population and wealth. A people with such a taste for statistics, one would have thought, would lose no time in setting up a bureaucratic type of government.

But the Romans tempered their genius for order with plenty of common sense, and they realized that authority is weakened rather than enhanced by being displayed on all occasions. Hence in matters not vitally important to the public welfare they usually adopted a *laissez-faire* policy, and when in

course of time they became an imperial people, they adopted the same liberal attitude towards their subjects, giving them the maximum of self-government consistent with safety. Consequently even in days when Rome had become mistress of the Mediterranean she was able to discharge the functions of government with quite a small staff of amateur "half-timers."

True enough, the time was bound to come when the growth of the Roman Empire, the accumulation of people and wealth in the capital and the consequent emergence of a grave "social problem" would call for a larger and more expert staff. Yet in the early days of Roman expansion the amateur governing aristocracy was so successful that its methods became as it were consecrated. Although in the second and first centuries B.C. it grew more and more evident that the Roman Empire was suffering above all from under-government, yet the governing caste obstinately refused to share their power with any new-comers, and it required nothing short of a revolution, or rather a succession of revolutions, to break their monopoly. The force required to accomplish this was provided by the Roman army, which had been remodelled betimes on a professional basis. Unfortunately the army spilt more citizen blood than Rome could afford to lose, and once it had acquired a taste for politics it could never be kept for long from indulging it. Thus in the last three or four centuries of its life the Roman Empire lived under the shadow of revolution, and the civilian elements in the administration only

lived on sufferance. Yet the army at least cleared the field for the setting up of a more efficient civil government, and from the age of the great revolution, at the end of the first century B.C., the Roman Civil Service may be said to date. Not that this Service was created all of one piece. The Emperor Augustus, upon whom devolved the task of reconstructing the civil administration, never quite cast off the spell of the old aristocratic tradition. He endeavoured to carry on as best he could with the shattered remnants of the republican nobility and was content to muddle along on these reactionary lines until successive breakdowns in the government forced him to transfer one department after another to a new executive staff. The policy of piecemeal and reluctant reform was followed by most of Augustus's successors, and so the Roman Civil Service was a child of slow growth. However, the logic of facts prevailed over antiquarian sentiment, and by their inherent superiority the new permanent officials eventually won the whole field to themselves. The extent and complexity of the Roman Civil Service, as constituted, say, in the second century A.D., may be exemplified by the following rapid survey of the principal departments.

1. A *Board of Works*, for the preservation of the public buildings in the capital.
2. A *Metropolitan Water Board*, which kept the aqueducts and street pipes in repair, and furnished Rome with one of the best water-supplies of the world.
3. A *Tiber Conservancy Board*, whose main function was the maintenance of the river embankments.

4. A *Corn Purchase Commission*, and
5. A *Corn Distribution Board*. The former body supplemented private enterprise in provisioning the capital; the latter regulated the far too lavish distributions of free food.
6. A Board for the management of the *gladiatorial games*.
7. A *Public Libraries* department.
8. A *Road Board*, which gingered up the local authorities into repairing the great Italian highways.
9. A *Post Office*. This department merely supplied transport for the Emperor's couriers and officials.
10. A *Registration Department*, for taking the census.
11. A *Public Record Office*.
12. Two *Secretariats*, one for *Latin* and one for *Greek* correspondence.
13. An Examiner of *Petitions*.
14. A *Scholarship Board*, which financed the education of poor Italian children—boys and girls alike.
15. A *Local Government Board*, for the auditing of municipal finances.
16. The *Treasury*. It must suffice to mention now that we can distinguish no less than forty-nine kinds of revenue officials; that particular revenues were appropriated to special funds, such as the Privy Purse, the corn purchase fund, and the army pension fund; and that the chief official of the Treasury drew up yearly budgets like any modern Chancellor of the Exchequer.
17. Though *jurisdiction* mostly remained in the hands of local authorities or of military officials, a *divisional court* of professional lawyers was instituted to hear appeal cases from all parts of the Empire.

An *Education Board*, a *Health Authority*, and a *Board of Trade*: these, I think, are the only impor-

tant departments that were missing in the Roman Civil Service. On the other hand, this Service undertook several duties which nowadays would fall to a local rather than to the central authority. Thus the scope of the Roman Service's activity was almost as wide as that of the most pervasive modern bureaucracy.

As regards the recruitment and organization of this great staff, this was at the option of the Emperors, who used their judgment freely in making appointments and did not tie themselves with any examination tests. Nevertheless they established certain general rules for the bestowal of their patronage.

The lower posts in the Service were thrown open quite freely to people of humble origin. The clerks and cashiers were commonly ex-slaves, the messengers and commissionaires slaves as yet unfreed. In addition, the earlier Emperors sometimes confided the higher confidential posts, such as the secretaryships, to ex-slaves of their own household. But eventually it became the universal practice to reserve "first division" posts to members of the propertied class, for under the Roman system of education these alone would probably have the necessary general training. But apart from this money qualification no restrictions were placed upon candidates. From the first, country Italians no less than town-bred Romans were admitted, and eventually Gauls and Spaniards, Africans and Illyrians, Greeks, Syrians and Jews climbed to the highest posts in the Service.

Not till the second or even the third century

A.D. were hard and fast rules of promotion laid down. Previous to this it was even common for military appointments to be taken alternately with civilian ones. Only in the fourth century were the civilian and military branches of the Service completely separated.

On the other hand, membership of the Civil Service soon became a separate vocation, which most of the officials followed to the end of their career. As a rule three to five years were spent in each successive post, though a few limpets held one appointment for twenty or even thirty years. Moreover, from the first, whole-time salaries were attached to every position, and the rates of pay for the higher charges, ranging from £600 to £3,000 (say £2,000 to £10,000 in pre-war money-values) were decidedly handsome. In addition to these emoluments, the chief officials received titles equivalent to our K.C.B.'s and O.B.E.s. As a Civil Servant rose from the third to the second and first grade, he would successively be styled a "*vir egregius*," "*eminentissimus*" and "*spectabilis*," shall we say, an "egregious," a "most eminent," and finally a "respectable" gentleman?

Like all such bodies, the Roman Civil Service was a silent service. Its precise standard of efficiency is therefore difficult to gauge. We must not imagine that the Roman officials were impeccable. History has preserved some flagrant instances of corrupt influence in securing appointments, of stupid cruelty inflicted by pedants, and extortions committed by men "on the make." The outrages placed upon

Queen Boadicea by Roman fiscal officials are not without parallel ; and it sets one thinking to hear that one of the richest of all Romans on record was a Civil Servant of servile origin. In the later days of the Empire a bad tradition thus set in. The Emperors, who had striven hard and not without success to check abuses, eventually found themselves at their wits' end to control their unruly officials. Stories are even told—though we need not believe them too readily—that the inhabitants of the Roman dominions welcomed the barbarian conquerors who eventually rid them of their official oppressors.

It has also been urged—but here again I am rather sceptical—that the Roman Civil Service acted as an incubus on the self-governing municipalities and stifled these valuable auxiliaries in the government of the Empire.

But against all these complaints we may set equally numerous instances of conscientious and even devoted labour. Whatever its shortcomings, the Roman Civil Service possessed a large fund of quiet energy, and accomplished volumes of sound unostentatious work. Within some fifty years of its creation it had become practically a self-acting machine, which might indeed derive benefit from the supervision of a capable Emperor like Tiberius or Hadrian, but did not allow itself to be put out by the vagaries of a Nero or Commodus. Through all the troubles and crises of three or four centuries the Civil Service carried on in its unostentatious way, and preserved a continuous tradition of orderly government. Of all the factors which prolonged the life of the Roman

Empire until that Empire could die without any great loss to the world, the Civil Service was probably the most important.

The Civil Services of Rome and of Egypt are the only notable exceptions to the rule that in ancient States such bodies did not play a great part. But in these two countries they accomplished a work of high importance. The Civil Service of Egypt, which was the mainstay of that country's prosperity for many centuries, protected its precocious civilization until other younger nations were ready to take up the running. The Civil Service of Rome similarly prolonged the existence of the Roman Empire and gave Græco-Roman culture time to strike deep roots, thus enabling that culture to survive the storm of the barbarian invasions, and to serve as the stock upon which our present-day culture has been grafted. Viewed in this light, the Civil Services may be reckoned among the great civilizing agencies of ancient times.

THE CIVIL SERVICE AND PARLIAMENT

By HAROLD J. LASKI.

I WOULD like to lay before you some suggestions upon the terms which should govern your relationship to Parliament. I do so with a sense of apology, for I have no immediate acquaintance with either. I can speak only as a professional student of administration, and I am anxious to admit at the very outset the limitations implied in a discussion that is not based upon a direct contact with the subject matter of debate.

But my apology is qualified by two considerations. In the first place we are in the midst of a great controversy about the future of the Civil Service in which the opinions of many at least as inexperienced as myself are finding a place. Thought upon that future has become a simple matter of citizenship, and I do not shrink from the obligation. In the second place one whose profession it is to study political philosophy can hardly now escape from the conclusion that administration is of the essence of the modern State. When you consider how the formulæ of political theory may depend for their success upon the manner and tone of a permanent secretary with sympathy, you begin to realize that

the difference, let us say, between Rousseau and Bentham is the difference between the man who states problems and the man who thinks out detailed institutions for their solution. I confess my conviction that until we move from the statement of principle to its translation into the event, we shall make little progress in political science. That is why the study of your work as public officials is fundamental to my own inquiries. We can all agree, to take an obvious example, that the health of the nation must be the concern of the nation. We enter much more difficult territory when we try to measure the success or failure of the Insurance Act in part to control it. Yet that measurement is the crux of the kind of problem which lies at the root of political method to-day.

I do not need to repeat the commonplace that the public services are going through the most critical period in their history. The man in the street is being imbued with the belief that the war has, above all, made the world safe for bureaucracy, and, frankly, at the moment, you are not, as civil servants, a popular class. It is assumed that whatever you do you do expensively and badly, and that you are singularly free from the accusation of humanity. The Geddes Committee is nothing so much as a sop to this Press-created Cerberus. It seems to have been given a roving commission to inquire into the social progress of the last fifty years, and to pronounce it evil wherever it does not serve the immediate ends of a business civilization. The creativeness of the public services may be danger-

ously impaired unless they seize this critical moment to explain their ethos.

Parliament, we are told, is a tool in the hands of the Minister and the Minister is a tool in the hands of the permanent officials. They, to the public, are a system of gigantic spiders who weave their gigantic webs to catch the innocent businessmen in their toils. The telephone goes wrong because Civil Servants control it. The Ministry of Health plots the destruction of a free and independent medical profession. The Ministry of Labour runs an expensive hobby called Trade Boards, the object of which is to prevent the chain-makers of Cradley Heath from obtaining employment at wages they deemed entirely satisfactory before the wanton interference of the Minister. I need not complete the catalogue of your sins. Underlying their enumeration there is the assumption that this was an adequate and well-ordered world before Government began to peer into the nooks and crannies of the national life. If I may take Lord Inchcape as typical of the business world, he seems to regard the substance of a true political philosophy as consisting in a combination of the maxims of Samuel Smiles with the theory of Herbert Spencer. I need not remark that in such a scheme of social organization the functions you dominantly perform to-day are not so much harmful as irrelevant.

I cannot stay now to criticize this scheme, though one remark is not, I venture to think, out of place. It is beyond doubt that your range of functions has grown astoundingly in the last half-century,

and that you now engage in activities which, say, Bentham and Stuart Mill (I believe wrongly) would have regarded as *a priori* beyond the sphere of government control. Here, perhaps, I may refer to an interesting prophecy of Sir Stafford Northcote during the debates on the Reform Bill of 1867. "Confer the franchise upon the working class," he said in effect, "and you are bound to increase the size and range of the Civil Service ; for your new electorate will demand that things be done on its behalf which are now the business of private endeavour." Northcote spoke in sadness. The answer to his doubt is that if a democratic system is to work, the members of the democracy must be fitted for their functions. That implies the compulsory experience of certain knowledge without which the modern citizen is as a sailor upon an uncharted sea. If the main functions of the State sixty years ago were the maintenance of order and the preservation of justice (in the narrow sense), that is because the State of that day was mainly controlled by men who could purchase for themselves the recognized amenities of existence. The dominant purpose of the contemporary State is to secure for the least of its members a certain minimum standard of civilized life and to secure the conditions which guarantee that standard. The mere conflict of private interests is ineffective to that end, and the result is an increasing and, I would urge, a necessary and beneficent intervention on the part of the State.

It is a resented intervention, we must admit ; and I believe that one of the ways to mitigate that

resentment is to change the existing relationship between the Civil Service and Parliament. For it is in the terms of the present regime that we must search for at least some of the causes of your present unpopularity. Parliament is ignorant of the Civil Service—of its technique, its personnel, its purposes. That ignorance is inherent in the present position. Around the doctrine of ministerial responsibility (which, I hasten to add, I regard as the capital English contribution to political method) there have grown up traditions that are needlessly harmful. They intensify differences instead of removing them. They do not multiply the sources of contact. Yet one of the great tests of an adequate political system is that it should reveal to the legislator the substance of the administrative process.

How does the Member of Parliament come into contact with you? At no point are direct avenues afforded. Nowhere are there channels of mutual discovery. If he asks a question your main business is to make the answer the height of obscurity. If he visits your office, his experience, if I may judge from my own, will be of an expert and aloof dignity which makes a business-man's office, even a bank, seem delightfully human in contrast. If he meets your eminent permanent officials in his club, it is almost a point of honour to leave the matters of common interest alone. Whatever Department of State you choose, there you will find the maximum of secrecy and anonymity. The reports are transmitted through channels which obscure their authorship. The Bills are presented by Ministers who

hardly understand, without elaborate coaching, the technical details of their clauses ; and, though the author of the Bill stands as near as the physical structure of the House allows, the pretence of his non-existence is carefully preserved. Your annual reports are usually too technical both in form and substance to be creatively accessible to the average member. Your estimates—particularly those of the Navy—are presented in a form which obscures rather more than it reveals. Your relations with the Minister are unintelligible—witness the episode of Lord Randolph Churchill's resignation or the report of the Dardanelles Commission—to the interested outsider. The average member, I suggest is baffled by the traditional methods with which you surround yourselves. He does not know your methods, he does not envisage your ideals, he does not realize you as persons. He sees the Cabinet and its Parliamentary subordinates. He is not made to feel that you, too, are a body of human beings whose mysteries are not, after all, so very remote from the daily life with which he is himself in contact.

I suggest to you that we must organize institutions of direct contact. If, as a Service, you are to be estimated rightly, you must come squarely into the public view. For the essence of a democratic system is that its processes are public, and you must aid in the creation of such knowledge. I do not mean that the doctrine of ministerial responsibility ought to be destroyed, I do not even mean that the doctrine of quasi-anonymity is altogether harmful. I mean that it must be made possible for

the private member, and therefore for the man in the street, to envisage what you do and who you are. It is, perhaps, a curious thing, but it is psychologically true, that one always suspects the working of an impersonal institution. Transform it into a body of visible men, and it becomes at once human and therefore natural. May I give you an example? It is easy to make business men angry about the Ministry of Shipping; but transform that department into terms of men like Mr. J. A. Salter and they will be enthusiastic in its praise. They may be sceptical about the Ministry of Food; they have no difficulty in realizing the significance of men like Sir William Beveridge and Mr. E. F. Wise. Similarly, I found in America the most absurd generalizations about our Foreign Office, but direct personal contact with officials like Sir William Tyrrell convinced even the most hostile that Lord Curzon was not typical of our diplomatic ideal.

What can be done, in an immediate way, to bring the Civil Service into the forefront of parliamentary consciousness? I should like to indicate four different ways which are, I believe, at least worthy of examination. All of them, I should add, ought to be set in the background of two general observations I shall make at the end of these remarks. None of them, if rightly worked, ought to impinge upon the classical conception of the Minister's position as the head of his department. I cannot enter now into their elaborate justification, but I should like to make the important and relevant annotation of them that for each suggestion there is

a precedent in foreign experience and that, so far as I can judge, the evidence goes to show that each of these precedents has been remarkably successful. I do not, in fact, want you to believe that I am simply like the theoretic member of an academy, constructing hypotheses in a vacuum. If I had the time I think I could, from America, from Germany, from France, make it plain that these expedients are not unlikely, in hands so experienced as your own, to be creative. But I must content myself with statement, and leave criticism and acceptance alike to yourselves.

The first thing I should like to see, and, from an outsider's standpoint, a very simple thing, is to destroy the tradition that all Command and Official Papers are the creation of a mindless somewhat and presented through the agency of the Minister to a Parliament which knows he has neither written nor read them. In other words, wherever possible, I want the papers published by departments to bear upon their face the name of the official or group of officials who wrote them. I want the average member who reads his Blue books to be able to refer to the distinguished work of Mr. X. and the utterly discreditable researches of Mr. Y. I do not want these men to be the private possession of the Minister ; I want them to be known to their special public in the same way as Mr. Wells or Mr. Conrad. I do not mean that I am anxious for the Civil Service to try to rival the relationship with the Press that is now the peculiar prerogative of the Prime Minister. I am eager merely that the

Civil Servant who has done a good piece of work should get the credit for it, and that a bad piece of work should receive personal criticism. May I give you two examples from the Ministry of Labour? I will take one from the war-period, and one subsequent to the war. In 1917 the Ministry published a report on Works Committees which is one of the fundamental documents in recent political science. Those who collected its materials are investigators of the first order; those who drafted it are, consciously or unconsciously, the propounders of principles of the first importance for our industrial future. I do not know who they are, but if co-operation in research is ever to become effective a knowledge of them is essential. To leave them unknown is to deprive both political scientists and members of Parliament of personal contacts that would be of high value. Similarly, a few months ago, the Ministry published a report into the conditions of boy labour on the docks at Liverpool. More than anything I have recently read, it explains why our democracy remains ineffective. If its author was known, we could press for his appointment to continuous work of that kind; we could make Parliament feel that a Service with officials of that quality was not without its reasons for existence. So, conversely, with discreditable work. If we knew who wrote that scrap-heap of ill-digested material which the Board of Education calls its Annual Report, we could, I think, persuade the House of Commons to give us a more useful document. The department hides itself behind a discreditable

anonymity, and one is led either to doubt Mr. Fisher's knowledge of what an educational report should be—or his contentment with a staff of which this purports to be an implied defence.

In the second place, I would set up in the House of Commons a series of committees, one to deal with each department. They would, as I conceive them, be a body of ten or twelve members, selected not so much as representative of parties (though parties would be represented upon them) as of the specialized ability upon particular questions which the House contains. They would work not as makers of policy which is a ministerial function but in part as a consultative organ, and in part as a liaison between the Civil Service and Parliament. They ought to have access to all papers save those of an especially confidential kind. They should have the power to initiate inquiries in the department. They should be able to summon Civil Servants before them for the taking of evidence upon particular questions. I should hope, too, that such committees would eventually develop into the Government side of the different Whitley Councils ; for the present line of division between Government and staff is, I think, a purely artificial arrangement.

To suggest the construction of such committees is to meet at once with two great difficulties. Would a given committee interfere with the functions of the Minister ? Frankly, I think that would depend very largely upon the Minister himself. If you get a strong Minister who understands the process of administration as Lord Haldane understood it, the

committee would serve a very valuable and twofold purpose. It would be there for consultation ; new policies could be discussed with it in confidence ; and the Minister would have some sense of the way in which his experiments were likely to impinge upon the outside world. If a policy commanded its assent, there would be created in the House a very useful body of informed opinion which could do valuable work in the committee-rooms upstairs. I suggest, too, that in serving upon them the Member of Parliament would gain an insight into the business of administration and a personal contact with the Civil Service itself, both of which would be of real value. There would not, for instance, be so much of the current ill-informed criticism of the Post Office if a dozen members of the House had a real and continuous knowledge of its working.

With a weak Minister I think the position would be more difficult. His tendency would be to shift the burden of responsibility upon his Committee, and it would, in the nature of things, seek to usurp his functions. The safeguard against that danger lies, frankly, in yourselves. If you can make the tradition of your office as creative as Lord Haldane or Sir R. Morant did, the difficulty will be at its minimum. But even were it at its maximum, I still think the experiment ought to be made. I am certain that in matters like the administration of prisons the lay mind has a fund of common sense to contribute which is unrealized by the expert to whom the prison process is merely a matter of

daily routine. The mutual impact of minds so different would provide a fund of inventiveness in the details of daily work, and I do not need to remind you that inventiveness in minor detail is one of the qualities by which the first-rate official is distinguished from the dull routinier who is stifled by the red-tape of his traditions.

My third suggestion is more revolutionary. I think the time has come for us to admit that the present procedure of Parliament is in great degree obsolete. Even with the closure and the guillotine and the kangaroo, it is still largely the procedure of a Chamber which has not really understood that legislative progress is secreted in the interstices of procedure. I believe that more and more the committee stage on all Bills not of the first magnitude will have to be transformed into a process akin to the working of committees in our municipal bodies. There, as you will remember, the permanent official is present at debate ; he answers questions, makes suggestions, explains difficulties, affords information. The whole difference between a good and bad committee on a municipal body is between a committee which really makes use of its officials at its meeting and one intent on demonstrating that the paid servant is inferior to the elected councillor. I believe that it would be a great step forward if Ministers would take their permanent officials to the committees of the House and give them a full opportunity to be useful to members in discussion. That would not only lead to the disappearance of much deliberate obstruction, but it would also ensure that the views

of the private member received more real consideration than is now possible. And I might add that the only real difference between what I am urging and the present system is that I urge the public statement to the committee of what the official now whispers (sometimes with ludicrous results) in the ministerial ear.

My fourth suggestion is really simply a development of an argument most ably advanced in the report of the Machinery of Government Committee. That report you will remember urged that a Ministry of Research is essential to co-ordinate the intelligence work of the modern public service. I agree ; but I want the Ministry of Research to be a little more. I want it transformed into a great machine of information to which the Member of Parliament will naturally turn for the evidence he requires. It is only necessary to examine the most useful work that was performed by the Legislative Reference Bureau in Wisconsin to realize how influential and valuable such a Ministry might become. Not merely in assisting members in the drafting of measures which interest them ; not merely in providing them with guidance upon current affairs, but, above all, in making them feel that it is an institution which exists that they may grasp in detail the whole administrative process, would such a Ministry prove itself. The Labour member who wanted to understand how India is governed ; the Tory squire who had heard vaguely of a Labour policy for the land ; the Independent liberal who wanted the revenue results of the Safeguarding of Industries Act—all

of them would realize in contact with it, not merely the greatness of your mission as public servants, but also the very solid qualities which go to your performance of it. I believe, too, that not unneeded reforms would result from its inception. Estimates might at length be drawn up in a uniform manner so that, for example, I could tell at a glance the comparative cost of beds in the hospitals of the Army and Navy. Reports like that of the Committee on Adult Education would not be allowed to go out of print; papers like H.C. 366 of 1869¹ which are simply indispensable to scholars, would be republished. Departments would be informed of directions in which inquiry was needed. Our Consuls abroad could be made to feel that at last a department had come into existence which appreciated zeal in research and responded to a meritorious efficiency. Even if all this be a dream, it is worth the pursuit in the faint hope that it may one day prove a reality. At least it would make information more widely accessible; and it would be a great service to make it plain that the whole business of government can be conducted, at least as to its results, within the public view.

I said at the outset that there were two general suggestions which formed the background of these very sporadic observations. I speak as a university teacher whose main business it is to enlighten the undergraduate about the mysteries of political science. I cannot, in that capacity, avoid a sense

¹ Public Income and Expenditure 1688-1869.

of dismay when I realize the vast area of governmental fact for which no adequate literature exists. Even if we take the literature about the Treasury, books like Mr. Hilton Young's, or the very learned treatise by Colonel Durrell, it deals rather with the formal aspect of the subject than with its inner substance. We know what the powers and functions of a Crown Agent are in theory ; we do not know what he does in the hours from ten to four. I think it has become very important to have on record a series of full descriptions, historical and functional, of the different Departments of State. It would be made clear there how work is divided up in the office ; how promotion is determined ; how the Minister makes his decisions ; how questions are divided into the significant and the trivial. I know that there is much that cannot be put in the books. You cannot say that Sir James Stephen is the Colonial Office or that Mr. Lloyd George never learned the traditions of the Exchequer. But at least you could give us the anatomical facts ; and memoirs and debates will enable us to graft upon that skeleton at least the vital organs of a physiological system.

I am really urging the need for collective or wholesale thinking in your work. To that end my second general suggestion is imperative. Exactly as you allow the Civil Servant to write his poetry or his fiction or his philosophy in his spare hours, and to publish it without hindrance, so, I believe, you must let him write and publish about governmental organization. Sir Ian Hamilton has recently said some

admirable words ¹ about the stupidity of that censorship which prevented the army officer from making his technical criticism of the War Office public until his retirement had made it obsolete. If there is ever to be a science of public administration—I believe, with Lord Haldane, that there can be such a science—it will not develop by leaving its formulation even to outsiders so wise as my colleague Professor Graham Wallas. It will come only by the speculation of experts upon its problems. Ninety years ago an old member of the Colonial Office, Sir Henry Taylor, set the example in an excellent little manual he called *The Statesman*. There must be amongst you many whose experience has led to generalization and whose generalizations may well be the corner-stone of such an edifice. At present, an official ox treads upon your tongues. That is bad in a double sense. It makes criticism of your work largely ignorant criticism, and it makes you, if I may say so, a little complacent because you of course detect that ignorance. It is unhealthy for any body of men to be in a position where they are sheltered from organized analysis. I am eager that it should become possible for even the humblest among you to publish freely his ideas upon your problems. He may make a fool of himself; quite probably he will. But it is better to have foolish reflections, if they are reflections, than to be driven to apotheosize French prints of the eighteenth century or the nice points which make Hoylake superior to St. Andrews.

¹ Ian Hamilton, *The Soul and Body of an Army* (1921), pp. 2f.

I believe that this, at least, will develop when you bring into existence that Institute of the Public Services which your Society contemplates. It will give you a recognized professional status in the community. Planned on generous lines, it will involve not only research and instruction for yourselves, but also information and education for the public. I believe that the Institute is likely to prove the high road to a science of public administration, granted on your part the will and the energy to make it succeed. I do not know how adequately to emphasize the importance of such a science ; I can only say that much thought about politics has convinced me that the essence of government lies in the executive act. That, after all, is the function you perform. It can never be done with adequacy until it is done on principle. A genius like Bentham may do much to reveal what principles are involved, but the main burden of discovery lies, after all, with yourselves. I do not know a better way in which you can deserve well of the commonwealth than to bend your energies to the effort of that search.

THE CIVIL SERVICE AND FOREIGN POLICY

BY LORD EUSTACE PERCY, M.P.

YOU must forgive me if I begin with a short preamble. Some of you have perhaps read a history of the French Revolution by Mrs. Webster. That book describes very brilliantly certain episodes and aspects of the French Revolution, but although it does not pretend to be a full history of the subject, its author states very positively certain conclusions as to the causes of the French Revolution, and indeed of all revolution. These conclusions can be reduced to the very trite platitude that revolutions are not popular movements, but are the work of secret or more or less secret groups playing on rudimentary popular discontents. This is true not only of revolutions but of every phenomenon in history. But it is quite useless to hunt secret revolutionary societies, because a secret society is as elusive as the Secret Service. Statesmanship needs something more tangible to work on. We are indeed missing the point. Mrs. Webster missed it by excluding from her study of the French Revolution any account of the French

administrative system in the latter half of the eighteenth century. No revolution has ever happened except in a country where the administrative system has broken down. It was the breakdown of the administrative system in France—not the machinations of the Orleanist party—that created the famines of the 'eighties. If this country to-day stands in any danger of revolution, it is because its administrative system is becoming too overburdened and too complicated for efficiency. Concentration, specialization, selection and restriction are the essentials of any administrative system. When these qualities are lost in a roving policy or buried beneath an accumulation of traditional burdens, the breakdown of administration is *pro tanto* inevitable, and revolution, *pro tanto*, a possibility—almost a probability—and perhaps a necessity. If this is true of internal policy, it is still more true of foreign policy—only here, for the word “revolution” you must substitute the word “war.” Before the late war, the administration of foreign policy in the hands of the Foreign Office and Diplomatic Service was breaking down under what I have called the accumulation of traditional burdens. I do not mean that the war was *caused* by this growing breakdown any more than I mean that revolution is *caused* by a breakdown in internal administration. The machinery of administration, the machinery of our Civil Service, is a symptom rather than a first cause, but I do say that the state of the machinery of international administration before the war was a symptom of an international congestion of incom-

patible policies which was the real immediate cause of the war.

I am not, however, going to labour this point to-night because to-day we are suffering rather from the other evil which I have mentioned—the evil of a roving policy little conscious of the past, very impatient of the humdrum administrative machinery of the past, but too impulsive and too flashy to create a new administrative machinery for its own purposes.

My purpose to-night is rather to sketch what, to my mind, are the results of this present state of things.

The true place of the Civil Service in international affairs is a little different from its true place in internal affairs. Without being abstruse, the reasons for this are obvious. It is impossible for any Minister to-day to begin to sketch any policy, whether legislative or administrative, in the internal affairs of this country without drawing on an enormous mass of accumulated expert information in the exclusive possession of the Civil Service. The Civil Servant at home is in the strictest sense of the term an expert. That, from one point of view, is our danger, because it puts Parliament and the country in the position too often of having to call upon experts to formulate their social ideals for them. In foreign affairs, however, any man of average intelligence and some knowledge of foreign countries and of history can formulate for himself an arguably sound foreign policy. There is, in fact, less secrecy about international relations in one sense than about internal administration. I

have had the run of the secret archives of foreign policy for ten fairly important years, but I could produce to you ten men, never in Government service, with as good a knowledge of the real facts of any international problem, including the international agreements governing them, for every one, similarly placed, who could give even a vaguely formed opinion on many problems of internal administration. The results of this are twofold. On the one hand, an official in the foreign services has always been obliged to deal rather with opinions than with facts—rather, at any rate, with estimates than with accurate facts. He has had, that is to say, to use the intuition which is proper to statesmanship rather than the knowledge of technique which is the chief function of the Civil Servant. On the other hand, so far from the professional diplomatist or Foreign Office official having controlled foreign policy, the Foreign Secretary has personally controlled the policy of his department to a greater degree than any other Minister. This was pointed out before the war by so acute a foreign observer as President Lowell of Harvard in his book on the Government of England. During the war, however, the Foreign Secretary largely abdicated control over policy, not into the hands of the Civil Service, but into the hands of his colleagues in the Cabinet who represented the fighting departments. Thence, in the latter stages of the war, the control passed to the War Cabinet and especially to the Prime Minister. The War Cabinet Secretariat and the Prime Minister's personal secretariat thus became

the chief agents of foreign policy in various important directions. This transfer of control was fundamentally due to the factor I have already mentioned—the difficulty of defining the need for expert knowledge in foreign policy, contrasted with the very definite needs, wishes and expert advice of the soldier and the sailor. That the Prime Minister should control foreign policy is not necessarily a bad thing, but again, in view of the vague limits of the sphere within which expert knowledge can be demonstrated to be essential to the conduct of foreign policy, control of policy on one side of Downing Street has tended to be divorced both from expert advice and expert execution on the other side of Downing Street. Various expedients have been tried, various pieces of organization have been created, to remedy this defect; but the relation between policy and expert advice or execution still, I am afraid, tends to be one of liaison rather than of symmetrical authority. To my mind, the institution of Cabinet minutes has been a monumental failure. Anyone who has ever sat on a committee knows that the minutes of its conclusions are of very little use to anyone except to members of that committee themselves, but the minutes of the Cabinet have been assumed to be sufficient guidance for officials who had previously been used to acting on the personal instructions or detailed memoranda of a Minister. The result has been much misunderstanding, many mutually irritating requests for further explanation, and sometimes complete cross-purposes.

At this point I must make a confession. I used to think that the most important thing in a reform of the administration of foreign policy was to reduce to terms of exact administration many problems which were before the war the subject of endless and inconclusive international correspondence. I have explained this view on more than one occasion, and I have often used as an illustration the extraordinary effects of the creation of the Inter-Allied Maritime Transport Council during the war in limiting or reducing international friction by an expert study of statistical facts. Mr. Salter's recent book has brilliantly summed up this experience, and I still believe as much as I ever did that large departments of business which in old days remained matters of controversy and opinion and therefore overburdened and clogged the wheels of the foreign services, can now be reduced to terms of exact international administration. This is the main reason why I am so strongly in favour of the League of Nations, the International Labour Conference and other similar institutions; but I think recent experience has brought home to me even more strongly than this the realization that, when all this has been done, when the Civil Services of the world have been brought into detailed expert co-operation and when the lines of home administration have been logically produced to meet the lines of administration in other countries, there still remains the vitally important sphere of "high policy" where the need of expert Civil Service advice and execution is less recognized but even more imperative. It is not

true, as the Foreign Secretary himself was tempted to think early in the war, that the Foreign Office in time of war can only execute the wishes of the military and naval strategists. Still less is it true that in time of peace, or half peace, no other qualifications are required by those who conduct foreign policy than intuition, brilliant improvisation and the instinct of compromise. This is the chief point that requires emphasis at the present moment.

Take first a few very trivial instances of the extraordinary importance of accurate execution in foreign policy. The instances I am going to give are actual instances, connected with the conduct of the late war and the conclusion of peace.

The policy of the Allied Governments is to press one neutral Government to consider the concession of certain national claims to another. Simultaneous communications are to be addressed to both countries in French. The decision has been taken hurriedly in London and on the urgent dispatch of instructions may depend the issue of peace or war. The instructions are sent in English. The British representative in each capital makes his own translation into French. The communication to the Government who is to receive the concession states that the other Government is being "invited" to make it. The communication to the other Government states that the Allies have decided to "put pressure on it" to make the concession. The result may be imagined.

Take another instance. An ultimatum is to be sent to a foreign Government by the Allied Govern-

ments demanding the withdrawal of troops from a certain territory. It is made by wireless direct to that Government and no copy is sent to the Allied representatives at the capital in question. No reply is received and the troops are not withdrawn. Some days later, when the Allied representatives are informed and make representations, the Government is able to state, with that economy of truth which the circumstances appear to demand, that the wireless had never reached them.

Another instance of intense international misunderstanding created by imperfect execution is the notorious one of the difference of opinion as to the accuracy or even as to the existence of a minute of the Council of Four at Paris in regard to the island of Yap.

These are, of course, mere instances of clerical mistakes which could be duplicated from the records of any domestic government department. Signs are, I am afraid, not wanting that such mistakes are rather more frequent now in the work of the Government than in those older days to which we look back as the golden age of red-tape. I cannot, for instance, imagine the Army or the Civil Service of twenty years ago producing an Irish truce which appears to rest on no authentic document, but the point which is so obvious that it is often forgotten is that the commonest departmental error may, in the case of the Foreign Office, lead to something like international disaster. That I think was the reason why up to some 15 years ago, when the so-called Hardinge reforms were introduced into the Foreign

Office, diplomats and Foreign Office clerks were trained up under a deadly system of post-office routine, the whole object of which was to secure the maximum technical accuracy in ordinary correspondence. Unfortunately, the system did not always secure this accuracy. A friend of mine once told me that his first experience as an honorary attaché at an Embassy was entering the room of the British Ambassador at Washington in the middle 'nineties to find Lord Pauncefote sitting disconsolately over a Foreign Office bag. When he entered, Lord Pauncefote said to him solemnly: "Young man, when you enter the Foreign Office as a regular clerk, be careful not to send the Tokyo bag to Washington and the Washington bag to Tokyo." Still, that was the object of the old system, however mistaken.

But if mere clerical errors can have such results, how much more dangerous must be the absence at any given moment of a well-informed opinion on the situation in a given foreign country. At the present moment the two open sores of Europe are Asia Minor and Russia. The situation in Asia Minor is solely and entirely due to two mistakes; the first a hurried decision taken without expert advice, and the second a miscalculation of the most elementary and obvious kind. The hurried decision was the approval by the Supreme War Council of the terms of the Armistice with Turkey. In this case the Supreme Council did at least, to the best of my recollection, approve the Armistice knowing what it was. To the best of my knowledge and

belief this, extraordinary as it may seem, was not the case with the Austro-Hungarian Armistice. In the days of Bela Kun, it was actually uncertain what were the terms of the Armistice with Hungary governing the provisional Hungarian frontiers with Czecho-Slovakia, in the Banat and in Transylvania. The execution of the Armistice appeared to be in the hands of different Allied officers on each of the three frontiers, and the resulting confusion at Paris was quite inevitable. This in parenthesis. But while the Supreme Council did actually approve a definite Armistice with Turkey, they did so almost off-hand without considering the vital necessity for disarming Turkey. This might have been comparatively harmless if the Allies had been determined to take a very early decision on the future of the Turkish Empire. But here the miscalculation came in. The Council of Four thought, or acted as if they thought, that Turkey could be controlled by the Allied High Commissioner in Constantinople and by the British and French troops in Syria and Palestine long enough to enable the United States to come to a favourable decision on the proposal that it should undertake responsibility for some part of the Turkish Empire. This was a double miscalculation because there was no chance of controlling Turkey without a much larger allied military force than the Allies were prepared to maintain, and there was only the remotest and faintest chance of the United States undertaking any adventure in the Middle East, whether in the form of a mandate or otherwise. Our military weakness was demonstrated in May

when the Smyrna question was raised. We could not guarantee the Greek population against Turkish violence and we were therefore driven to authorize the use of Greek troops. Hence the present war in Asia Minor. Expert opinion was emphatically aware of both these points, but it did not secure any hearing because again although it was known it could not be stated in terms of ascertained fact.

The successive mistakes of the Allies in regard to Russia would take too long to enumerate. But the last of these mistakes is particularly instructive. Here you have an instance of a policy announced without due expert consideration, and therefore belied by the Government's subsequent action. Nearly three months ago, the Prime Minister announced to Parliament that steps must be taken to deal with the Russian famine; that mere charitable dispatches of food-stuffs would not meet the situation, and that what was necessary was an organized exchange of commodities and the expert organization of the famine area. He added a warning that unless the Soviet Government accepted their obligations in regard to debts already incurred by the Russian Government in the past, it would be difficult to get an organized exchange of commodities. Two things were quite obvious from this statement. First, that the experience of other relief schemes in the past had been forgotten, and secondly that any recognition of past debts must be to a large extent illusory. The Prime Minister's statement was, in fact, marked by a lack of Civil Service advice as to the past, and a lack of financial advice as to

the future. Every successful relief scheme since 1914 has always begun with mere charitable dispatches of necessities and has developed only gradually into an organized system. You cannot meet the problem of relief in advance. The whole problem *solvitur ambulando*. No scheme is ever water-tight to begin with. Mr. Hoover's Belgian relief scheme was notably not water-tight to begin with, but in order to put pressure on the German administration in Belgium, it was essential that any threat made should be a threat of the withdrawal of existing relief, not a withholding of problematical or contemplated relief. I may claim to know something about this subject, because I was intimately connected with the Belgian relief scheme from the first day it was started, and the only reason for its success was that from the beginning we relied upon the man in charge and not upon a theoretically water-tight system of written documents. The result of that was that an extremely insecure scheme of relief started in October, 1914, developed by the latter half of 1916 into so highly organized a system of supervision that we were receiving, I think fortnightly, a report of every requisition made by any German soldier in Belgium or the North of France. I do not think an old woman's sow could safely have been requisitioned in any Belgian village without the news of it reaching us.

Again, every relief scheme that has started out with an ambitious idea of organizing an exchange of commodities has failed miserably. A great scheme of that kind was started towards the end

of the war for Siberia. It was, if I remember right, comprehensively planned—so comprehensively that it never came off! When I heard the Prime Minister's speech on August 16, the memory of that scheme leapt to my mind.

As to the second point, I think it is time that the facts about Russia's economic situation were faced. No country in the position of Russia, or indeed of Poland, at the present day has ever succeeded in reorganizing its finances except at the cost of partial repudiation. If you ask the Soviet Government to recognize all its obligations, you make any reorganization of its finances as impossible as would have been the case if you had required Napoleon to recognize all the *assignats* issued from 1790 onwards. It is commonly forgotten that even a country like Holland was obliged to repudiate its debts after the Napoleonic wars—at least to repudiate its interest obligation though not its capital obligation on about half its debt, the whole national debt not being eventually consolidated until some thirty years after Waterloo. The demand that the Soviet Government should recognize all Russian debts merely means that you are asking that it or any future Russian Government should recognize obligations on which it will be obliged to default if it is ever to restore the financial and economic position of the country. That is not the way to deal with a bankrupt; you must demand an arrangement by which a proportion of past debts is compounded in consideration for a proper reorganization of the national finances which will

make future business possible. The recognition of property rights is another matter. That may fairly be asked of the Soviet Government. Now, what has happened? The Prime Minister's speech has fizzled out into a jejune diplomatic manifesto by the Conference at Brussels which neither establishes any scheme of relief nor clarifies the situation. We are exactly where we were months ago. Such a manifesto puts no pressure on the Soviet Government, and makes no advance at all, even from the point of view of those who wish to destroy that Government. If I were an extremely well-informed Russian peasant on the verge of starvation, I might be goaded to revolt by the knowledge that relief which I was actually receiving might be withdrawn because of the attitude of the Soviet Government, but I should only sink into dull despair if I were told that the attitude of the Soviet Government had prevented the Allied Governments from studying the question what, if any, relief might in other circumstances be afforded to me. This manifesto is simply the last of a series of detached diplomatic documents spread over the last few years without continuity and without any trace of any logical line of thought. Like all its predecessors, this manifesto has now provoked a reply from the Soviet Government of a perfectly logical kind, to which it is safe to predict that the British Government will be able to make no coherent reply. Where you see this, you see lack of those qualities for which a Civil Service exists and which a Civil Service can alone secure.

These are two great instances where the Government has adopted a wrong policy through lack of that careful preparation which a Civil Service ought to supply. But there is one other recent and glaring instance where a sound policy has been absolutely vitiated by haphazard execution. The Upper Silesian question was referred to the League of Nations by the Supreme Council. Well and good. But the Covenant of the League of Nations with all its faults was drafted in order that international procedure in such questions should be governed by certain definite rules so that any nation which had recourse to the procedure of the League might know exactly what it was letting itself in for. The Supreme Council might have referred the matter to the League under Article 15 as a dispute to be decided by a unanimous vote of the Council of the League, other than the parties to the dispute. Great Britain and France, between whom the chief difference of opinion had arisen, might have notified the Council that they were parties to the dispute. They might, if they had been wise, have stated also that, while under the Treaty of Versailles the fate of Upper Silesia was in the hands of the Supreme Council, yet they considered it advisable to regard Germany and Poland as interested parties also, in which case Germany would have been invited under Article 17 to accept the obligations of membership in the League of Nations for the purposes of the dispute, and both Germany and Poland would have been invited to send representatives to attend the meetings of the Council held on this subject, under the

fifth paragraph of Article 4. The Council of the League would then have been in a position both to hear Germany and Poland officially and possibly to exercise some real mediating influence between them and also to come to a wholly impartial decision untroubled by any need of compromising between the views of Great Britain and France. In fact, however, I believe I am right in saying that the reference to the League was made under no specific Article of the Covenant, but in a manner really quite outside any provision of the Covenant. Unfortunately there exists an Article in the Covenant—Article II—which does seem to contemplate this kind of indefinite and informal procedure, but neither the British nor the French Governments could have deliberately wished to make use of that Article, the vagueness of which they have, I think, always deprecated. What then was the meaning of the undertaking by the British and French Governments to accept any decision of the Council of the League? Under the Covenant no ruling by the Council could be regarded as a decision unless it were unanimous, and in absence of any clear understanding to the contrary unanimity could only be secured by the votes of the British and French representatives. Did the Council of the League, therefore, feel that they had a free hand to settle the dispute on its merits? One thing is certain: no process of international adjustment, whether the League or any other, can have a fair chance of success unless Governments will take the elementary trouble to secure technical accuracy and clarity in drafting terms of reference.

There are two ways in which a Civil Service may be reduced to impotence and inefficiency. One way is to have no policy and to give it no instructions, and the other is to have more than one policy and to give it conflicting instructions. Both crimes are, I am afraid, committed to-day in regard to foreign policy. But the second is one which lies outside the scope of this paper. Conflicts within the Cabinet on foreign policy have been frequent during the past three years. They are not new, Both Lord Palmerston and Lord Derby conducted their own foreign policy in the teeth of Cabinet opposition, and on the other hand, there was a famous occasion on which Lord Granville asked the Chancellor of the Exchequer whether the foreign policy of the country was being conducted by the Foreign Secretary or by the Clerks of the Treasury. Such incidents are political rather than administrative. Their cause and cure lie in the region of party politics rather than of administrative organization. But the first crime is distinctly an administrative one. No Minister wishes to be without a policy or to be incapable of carrying out properly his wishes at any given moment. If the British Government is in this position, it is because it does not know how to form or handle its administrative machinery. The machinery of foreign policy is unfortunately less efficient to-day than it was before the war and that is saying a great deal. This is all the more tragic because by 1917 the Foreign Office had attained an efficiency, an extent of knowledge and a closeness of touch with the realities of British interests,

economic and political, which I do not believe it had ever reached before. We were within measurable distance at the end of the war of a really efficient Foreign Office, and we have scrapped it by pure haphazard negligence. The causes of our present inefficiency are twofold, division of authority and division of executive function. Authority is divided between the two sides of Downing Street, but at the present day this, as I have said, is more a political than an administrative question. Administrative function is, however, also divided. It is the Cabinet Secretariat or the Secretariat of the Committee of Imperial Defence—I hardly know which is its right title—which is the sole channel for communication between this Government and the League of Nations. The Foreign Office is, I believe, the channel for communications between this Government and the Conference of Ambassadors at Paris. The Colonial Office is now the organ of British foreign policy in Arabia, while the Foreign Office and India Office are still the organs of foreign policy in Persia. The Department of Overseas Trade, now entirely divorced from the Foreign Office, is the organ of foreign policy with regard to the whole range of British economic interests. This does not exhaust the manifold divisions of function, but these are representative examples. How can you expect on such lines ever to create a foreign service really conversant with the realities of British interests or the characteristics of foreign nations? How can you expect any coherence of policy or any concentration of responsibility?

Let no one think that absurdities of this kind arise from the peculiarities of the Government of to-day. These absurdities are deeply rooted in the whole attitude of British public opinion towards foreign policy. The British people, who are usually very intolerant of flashy policy in home affairs, always prefer in foreign affairs the intuitions of statesmen to the dull advice of experts. I saw an article the other day in a weekly review strongly advising the Prime Minister not to take the advice of anyone remotely connected with the British Embassy at Washington on any point in regard to American affairs. I am not likely to underrate the weaknesses of the foreign services in the United States or elsewhere, but that article would have been written even if our Embassy at Washington for the last twenty years had been invariably staffed with diplomats in the closest touch with real American opinion and real American politics. Public opinion in this country is intensely suspicious of any attempt to create an efficient foreign service because it does not believe that it is possible to create one. So long as this superstition about foreign affairs exists, so long will this country be delivered, bound, into the hands of foreign nations in any international controversy which may arise. It is our business to define clearly what we mean by an efficient foreign service. Mr. F. W. Hirst told the Royal Commission before the war that his idea of an efficient foreign service was a kind of laboratory of international ideals. This is emphatically wrong. British public opinion is perfectly right in feeling that it

does not want to have its ideals written for it by Civil Servants. The business of the Civil Service is not to excogitate policy but to formulate it. I am afraid that much of the present violent reaction against the Civil Service in general is due to the fact that towards the end of the war Civil Servants naturally acquired very strong views not only as to the possibility but as to the desirability of national organization, especially of trade, and in the circumstances of the day they had unusual opportunities of disseminating those views. I remember once tracing down, just after the Armistice, a violent agitation for decontrol to some unwary remarks made by a Civil Servant as to the desirability of a permanent national organization for the distribution of a staple raw material. The unpopularity of the foreign services largely arises from a suspicion that behind the closed doors of the Foreign Office they are doing the same kind of thing. Nothing, as I have pointed out, is really further from the facts. No part of the Civil Service has probably had less control over the formation of foreign policy. But still it is our business to proclaim that that is not the function of the foreign services. Their function is to know and to advise as to the limiting factors of policy and to carry out that policy skilfully, clearly and consistently. This they are unable to do to-day because they are excluded from responsibility for knowing many of the most important limiting factors, especially economic factors. You will never have an efficient foreign service unless it is responsible for the whole range of British interests

abroad and responsible for carrying out all the policy of His Majesty's Government in foreign countries.

Let me define a little more closely what I mean by the "limiting factors of policy." The foreign services are often criticized for lack of progressiveness and imagination, just as the Civil Service in internal affairs is often criticized for radicalism. People realize that at home, where they are conscious of the issues involved, the chief duty of the Civil Servant is with the conditions of the day. It is his duty to adapt the conception and execution of policy to immediate needs and needs in the near future. Ideals and ultimate developments, while they must be in his mind as in the mind of every far-sighted citizen, are outside the scope of his proper technique. Unfortunately people do not realize that the same thing applies to foreign affairs. Over-imaginativeness, over-interest in those most interesting phenomena, the nascent instincts and tendencies of nations, and still more over-sympathy with national ideals will mislead the diplomat and vitiate his advice. In the case of the only foreign country which personally I know well, I am impressed, looking back on the last eleven years, how little net effect has been produced on American politics by the many-sided radical social reform movement in the United States. Interest in the varied aspects of that movement has undoubtedly given one a greater knowledge of the country and a greater liking for it, and these are valuable things for any diplomat. But such an interest has proved to be largely

irrelevant to the immediate duties of the British diplomatist in America, which is to advise his Government what policies are practicable at the moment. And I use this instance because my one fear in regard to the Washington Conference is that, either through incompetent expert advice or through the ignoring of that advice, our statesmen may attempt a wider agreement as to the Pacific and as to the limitation of armaments than can in practice be carried out by the United States in the immediate future. Such an agreement might correspond very closely to American ideals, and yet be wholly unacceptable to the present or to the next Congress.

A Civil Servant's business is with practical results ; he needs, that is to say, the foresight of the business man rather than the foresight of the statesman, though, as we all know, the business man is unfortunately about the last person who can apply a business man's foresight to politics. This may sound a reactionary view, but if you examine it closely I think you will agree with me. Sir James Hudson is remembered by liberal historians as a great British diplomatist, but what made him this was not any idealistic attachment to the cause of Italian unity, but a realization that in the days of Cavour that unity was an immediately realizable policy.

I am convinced, indeed, that in these days certain classes of international questions closely connected with internal administration must be dealt with by specially organized international bodies, and

these must function very largely apart from the Foreign Office, though the Foreign Office must continue to advise our representatives on such international bodies of the limiting factors in regard to any policy which they desire to pursue, but it is a sound rule that, except where such functions of foreign policy can be crystallized into definite international bodies and until such bodies have proved their practical efficiency, all responsibility for foreign affairs must centre in the Foreign Secretary. The British people must create a foreign service capable of bearing these responsibilities unless they desire worse disasters in the future than they have suffered in the past.

THE STATE AS TRADER : PRACTICAL DIFFICULTIES

By SIR LAWRENCE WEAVER, K.B.E., Second Secretary to the Ministry of Agriculture and Fisheries.

SOME apology is needed for my venturing to lay before so expert an assembly such loosely strung and illogically held ideas on the participation of the State in commercial affairs as I have formed since 1917. When I have done and you have estimated the blame which attaches to me for my hardihood, you will please transfer it from me to my friend, Mr. E. F. Wise, at whose sole instance I am here at all. If there should be found any interest in my observations, it will be such as belongs to the stirrings of the infant mind, for until the spring of 1917 I was wholly ignorant of the working of the Civil Service, hardly conscious of its existence and if anything faintly and uncomprehendingly critical. My attitude was indeed precisely that of the uninformed which now induces in me, as an established Civil Servant, a reasonable irritation.

I confess that when the fortune of war took me out of uniform into the newly-formed Food Production Department I had a vague belief in the propriety

of the State engaging in commercial enterprises. I lately came again upon the book that Lionel Johnson said was "of an ugliness so gross and a vulgarity so pestilent, that it deserved the bonfire and the hangman"—*Looking Backward*—and realize now that my vague belief was a subconscious survival of the effect of reading it when I was a small boy.

If I had to make a choice of Utopias I should not choose Bellamy's, an unpleasant glittering affair. I would rather have the idyllic Arts-and-Crafts-Exhibition Bolshevism of William Morris's *News from Nowhere*, if I could not capture the larger attractions of Wells's *Modern Utopia*. I hope that Mr. Wells had the Civil Service in mind when he invested the Utopian Administrators with such charming qualities and capacities as his Samurai possess. The subject chosen for me by Mr. Wise is so large and involved that I may be allowed a choice of limitations. I shall therefore limit my illustrations of the difficulties involved in Government participation in commercial affairs mainly to a few examples with which I am more or less familiar personally. I confess, however, that when I came to examine many examples of State trading which seemed at first sight to illustrate good or bad features of such administration, I was almost always faced with the fact that war conditions had so affected methods as to make it dangerous to draw conclusions. No doubt the economic historians of the war will be able so to sift the evidence and to make such allowances for abnormal

conditions as will help them to achieve a balanced judgment, but I feel myself wholly incompetent for the task. I am, in effect, driven to lay before you opinions rather than facts, using such facts as I can produce as illustrations rather than evidence. Which goes to show that I ought not to be reading the paper at all. May I emphasize the words "practical difficulties" in the title of this paper, speaking to you rather as the quondam ironmonger, contractor and publisher, than as the present Civil Servant. I shall look at the practical working of State trading in its association with Treasury control, the State's accounting methods, the State's method of recruiting the administrative branches of the Service, the influence of the voter, whether individually or organized, on the administration of State trading, and lastly and perhaps most important, criticism in Parliament and in the Press. I am free to admit that in a Utopian State, even in the State as now constituted, but with some drastic reorganization, certain trading operations might be carried on with some but not too large a hope of success, as in fact some succeeded notably during the war when financial restrictions were necessarily weak or non-existent, the personnel of the Service became notably reinforced and fluid, and criticism was practically stilled.

I do not wish to present destructive criticism so much as to set out difficulties, the existence of which is based on observation : constructive ideas I leave to the three hundred luminous and contentious intelligences who, as I was assured by Mr. Wise,

will effectively destroy me so soon as I sit down.

It will be convenient to establish some rough-and-ready limitation of what I mean by the State as trader. I should like to leave it wide enough to cover those activities in which ordinary persons or corporations expect to make a profit or a loss according to their own capital and judgment and subject to the play of supply and demand: this enables me to include the State as Landlord. It enables me also to exclude functions of certain departments which may perhaps be described as Trading Departments because they exercise one important function, viz. buying on a large scale, such as the Stationery Office. They are, however, buying for the consumption of other departments, and though their existence does create competition, and a very wholesome competition, with the private trader, they are not competing with him for the favour of the general consumer: they are buyers, but not salesmen. In the same category are the Army Clothing Department, the Navy's building and repairing yards and munition factories. For the existence of all these, however, there are reasons of public policy altogether apart from their aspect as commercially managed concerns. For State papers it is necessary to have a State printer whose whole resources are available for urgent or highly confidential work. For manufactures essential for national defence it seems also desirable to have establishments under the direct control of the fighting departments, and there are questions of deeper policy on which I need express no opinion

You need no reminding that there is a school of thought which would make the provision of all military and naval material the monopoly of the State in order to prevent the operation of private concerns whose financial interest is on the side of war rather than peace.

The broad distinction between the commercial enterprises of such departments and of a true Trading Department is that they do not have to stand the acid test of *selling* to the satisfaction of the general public commodities as to the price and value of which most consumers have definite ideas. I exclude also from criticism such public utilities as by their nature cannot or ought not to be expected to make any return on the capital expended.

Transport is a commercial enterprise, but roads, the first need of transport, are obviously elements in the business which cannot be provided by private enterprise, unless we revert to the system of toll-gates, and they cannot be expected to make a direct return on the money expended in their construction and maintenance. I doubt, moreover, if those stout individualists who are engaged in attacking the departments over such signatures as "Harassed Taxpayer" or "Six Shillings in the Pound" would, if it were left to their decision, farm the Posts, Telegraphs and Telephones to some commercial descendant of Ralph Allen of Bath. I strongly suspect that some of them are like the aspiring young journalist who, when Lord Morley inquired as to his special experience and aptitude, replied "Invective," and

that they are, in fact, the same persons whom I remember as disembowelling the National Telephone Company in the daily Press. A public utility such as the Posts, which must be managed on a national scale at uniform rates, involving services some sections of which in thinly populated areas are necessarily losing propositions, which further involves international co-operation in the smallest detail, must obviously, I think, be operated by the State. This also applies especially to services in which it would not anyhow be possible to have competition.

You may say that the Railways are in precisely the same category as the Posts, and logically they are. I can see no reason based on principle, but a great many based on expedience or finance, why the Railways should not be nationalized. I only mention Railways in order to emphasize one of my points, viz. that there is nothing moral or immoral in State trading *per se*. I should be delighted to see the State set up as butcher, baker and candlestick-maker, if I thought that its citizens would thereby be advantaged. I am wholly undismayed by those who would regard it as an outrage on those excellent taxpayers who now butch and bake and candlestick-make for us. I know no peculiar Christian sanction for private enterprise nor any valid Christian condemnation of it. It is often said that the justification of State trading is the power that buying on an immense scale gives in securing commodities in universal demand at the lowest possible cost. No one doubts that the great multiple concerns, some of which are in

effect monopolists, succeed in buying cheap, but the complaint is that they nevertheless sell dear and pocket excessive profits. That could be prevented, as gas companies are prevented from making undue profits at the expense of the consumer, by establishing a sliding scale between the selling price of commodities which become or are in danger of becoming the sport of monopolists, and the dividends paid to their shareholders. While there is substantial competition, and in normal times—I exclude, of course, war periods—high profits are a certain index of peculiar efficiency, and should be encouraged. It is only when monopolies or cartels or trusts arise that the limitation of profit becomes a thing worth considering, and the war experience of its working indicates that it penalizes the efficient and keeps alive and prosperous the second-rate.

However, if and when the majority of the citizens of this country decide that the State shall go into corporate business in few or many directions, I am sure we shall do our best as Civil Servants to make the business go. I hope in that event I may be made Secretary of the Ministry of Iron-mongery, but I shall not guarantee a dividend to the Treasury unless the whole machinery of Government is changed, and even then I shall remember with pleasure the doctrine of Ministerial responsibility. It seems to me really important that the problems of State trading should be considered in a cold, practical light, with all discouragement to those rises of temperature so common among theologians.

Let me now indicate some of the difficulties which hamper State trading. Treasury control and the State's accounting methods can be considered together. I will say at once that I am wholly in favour of a rigid control by the Treasury. There are, of course, cases within my own experience as within the experience of every one in this room, where it appears to the administrative officer most concerned that the embargo on a specific piece of expenditure is perhaps not wholly reasonable as compared with the sanction given to some other item; but, broadly speaking, it seems necessary that a central financial department shall review the proposals of every spending department both generally and specifically. The Ministers and officers at the head of spending departments are not handling their own money, but the taxpayers', and it is not in human nature that they shall exercise so vivid a criticism in respect of projects, which they believe to be important for the public welfare, as if they were spending their own capital. I do not think that any of us can quite get out of our minds the delusion that the State has a purse so distinct from our own that raids upon it do not gravely concern us.

At the same time, Treasury control of the details of expenditure on any commercial enterprise must necessarily minimize the chances of success. The obtaining of sanctions is necessarily a slow process under the ordinary Treasury system. In commercial affairs it generally happens that decisions with regard to expenditure have to be made rapidly

if the money expended is to be really fruitful. We all know the process of applications to the Treasury and the large number of hands through which the papers must necessarily pass. Any avoidable delay, if it is avoidable, occurs just as much in the department making the application as in the Treasury which receives and considers it ; while the present system continues this seems to me quite unavoidable. In particular cases it may be there is slackness in some individual or an undue deposit in his tray, which holds up some urgent matter as a result of which opportunity, and therefore money, is lost. It is, however, unreasonable to complain of the anxiety at the Treasury to examine every application received, in particular for money required for a trading enterprise. They have to be satisfied that money has been duly provided in the department's vote, but even then they have no certainty that the amount of expenditure proposed will cover requirements. Let me quote from a paper I read early this year on Land Settlement, where I discussed the desirability of a Ministry running a Works Department.

“ Building is a commercial business, with its risks and speculative aspects. No one can foresee with certainty whether he will complete cottages at, say, £800 or £1,000 apiece ; he may be £200 a cottage out. If I were to apply to the Treasury for sanction to a scheme of land settlement in the county of X I should say, for example, that the estate would cost £90,000 and the equipment another £90,000. I know the fee-simple value of the land to a penny, and have a provisional contract to

purchase at that price. If I have a contractor's tender for the necessary building work at £90,000 I can put to the Treasury a plain proposition: 'Here is an expenditure of £180,000. The outgoings on the property are so much, the rentals I can get will make so much. The cost to the Exchequer will, therefore, be so much.'

"If the contractor has made a mistake, that is his risk. If, however, the Ministry does the work it is the Ministry that takes the risk, and if my estimates are £10,000 too low the financial basis of the Treasury's sanction is destroyed. The work is in mid-career and has to be finished, so the money must be found. That might even mean a Supplementary Estimate, a vile thing, justly condemned by the Treasury."

In point of fact, the particular scheme I had in mind worked out well and has cost less than the estimate given, but it was the swallow that makes no summer. Other schemes less fortunately handled have led to painful incidents.

This brings me to a grave difficulty, viz. the State's accounting methods. As these are strictly on a cash basis and have reference to the estimate of expenditure submitted to Parliament in a particular financial year, and the money voted to meet it, there is no proper source for the provision of capital for a trading enterprise. An ordinary commercial concern has two main accounts, a capital account and a profit-and-loss account; its capital is, so to speak, provided once and for all with such accretions as development renders necessary. The directors, having once invested their capital in land, buildings, plant, etc., with a proper margin for working capital, devote their attention to keeping the profit-and-loss account healthy. If

troubulous times come they have to draw on their floating capital to repair losses, or raise fresh capital for the purpose. The investing public forms the pool on which they can draw for such purposes. In the case of the State, however, there is no such pool ; whatever capital is needed for a commercial enterprise has, in the main, to be supplied out of the national income. It is true that for municipal enterprises the Public Works Loan Board exists to lend money out of the Local Loans Fund. There is, of course, no reason why the State should not borrow in the open market the capital which it may require for the financing of trading enterprises ; but, broadly speaking, the principle of the Public Works Loan Board is to lend money only on fixed security, and the trading funds of a commercial enterprise cannot be so described. In the result, if capital is wanted for a commercial enterprise in which the State is interested, it has to be provided on the annual vote of the department concerned. Let me give an example.

For a long time agricultural experts have claimed that sugar should be grown in England and that it can be grown remuneratively. Certain assistance was given to the project from the Development Fund, but it was not until the national need for sugar during the war brought the matter into great prominence that a State-aided company was formed to develop beet-sugar on a considerable scale. The Government took ordinary shares to the amount of £250,000, and guaranteed for ten years the interest on the shares subscribed by the public.

Owing, however, to the cost of building and other difficulties of the times, further capital was essential if the business was to be properly established. On representations that the full amount needed could not be secured in the open market, it was unavoidable that part should be lent by the State. In the result £125,000 had to be provided for in the Ministry of Agriculture's estimates for the following year, and such sums are very disturbing items in the national accounts. I recognize that this is not a normal example of direct State trading, but of State partnership in a privately managed enterprise of national importance, but from the point of view of financing capital commitments the difficulty was the same as if a factory directly owned by the State had been concerned. I want to make the point that if the State is going into commercial enterprise, it must provide a source of capital which shall be independent of the exigencies of annual budgets and that money would need to be made available in that way, not through the ordinary departmental routine of the Treasury, but on the advice of some Board manned by members of great commercial experience who would represent the interests, not only of the Government, but also of the investing public, by whom ultimately the money would have to be provided.

We cannot I think escape the conclusion that the present Treasury practices of (*a*) detailed control of expenditure and (*b*) treating each year by itself, are inconsistent with State trading, and the State must choose between them and such

trading. If the State is to look for a profit from trading it is impossible to avoid detailed control such as now exists in the case of the Post Office. I must in fairness, however, point out that there is no necessary sanctity about the Post Office precedent. The State might well adopt as a principle that its trading concerns should be run for no profit, that they should pay merely a fixed interest to the Treasury for the State's money which capitalizes the various concerns, and that all profits (if any) should be disposed of by cheapening the services to the public. I say "if any" because if the administrators of the concerns had not even the spur of making a profit for the State, it is doubtful whether the best results would be achieved for the ultimate beneficiaries, the general public.

I come now to the question of management, and with it the State's method of recruiting the administrative branches of the service. During the war when the trading commitments of the State were vast and various, the administrative ranks of the Civil Service were reinforced by a large number of commercial men, some of whom managed the State's enterprises in their own line of business, and others were general utility men exercising their skill and experience in whatever branch of trading they happened to find themselves. In cases where, as in the Wheat Commission, these experts were left to conduct the business by their accustomed methods, being financed practically *carte blanche* by the Treasury, the results, as I understand, were satisfactory. In

other cases, which I need not name, but some will be familiar to all of you, where commercial men were put in double harness with Civil Servants and expected to adopt the administrative routine with which their colleagues were familiar, their success was less conspicuous. They found the whole business irksome and the particular qualities which had made them so successful in the field of ordinary commerce, namely, the power of making rapid decisions without reference to anybody, their personal influence on other traders, and the reliance placed on the exercise of their unrestricted judgment, ceased to be operative causes of success. I did not myself find the methods of correspondence, of filing and other elements of Government routine at all difficult or irksome, and I think on the whole our methods of handling business are far more efficient than many of the much-vaunted business systems, but I have observed that these methods wholly paralyse many men of high commercial ability and proved success, and render them inefficient in conducting commercial affairs in a Government department.

If then the State is to embark on trading enterprises, how is it to recruit the people who will do the work? I confess that I attach great importance to the experience of the working of ordinary commercial concerns. I should view with much apprehension any attempt to run Government trading by means of men who enter the Civil Service as young men and gain their only commercial experience in a Government trading office, however well organized.

It is true that most firms are recruited in that way, by men who begin as office boys, and work their way up, learning only in the office, but there is a greater flexibility in the staff of an ordinary business house than it is conceivable you could secure in a Government office. Moreover, the active young man who makes a success in business moves about a good deal from one firm to another, from one class of trading to another. He is a salesman for one, a commercial traveller for another, in charge of correspondence for a third, and so wins multifarious experience of methods and affairs. If, however, for posts in Government Trading Departments, you were to recruit men of, say, 40 from commerce, you would not get the best. Twenty years' experience of commercial life puts a man into the position of earning far more than the corresponding salary of an ordinary Civil Servant if he is competent enough to conduct the very large enterprises on which the State would necessarily be employed. It may be said that he would not give up an assured position in commerce unless he were established in the Service, and even then not too readily, because his pension rates would necessarily be very poor as compared with a man entering the Service young. But the chief difficulty would be to make sure that a man coming in at that period of his life would be properly assimilated and would be able to conform with the necessary routine of a Government office however much that might be relaxed in consonance with business ideas. I do not attach the least importance to

the plea that you cannot get commercial men except at salaries vastly in excess of those paid to ordinary Civil Servants of the same age and standing, because I do not believe that everybody thinks only of his salary. There are quite enough competent men in the commercial world who would like to feel that they are engaged in the public service rather than working merely for private gain, and would not be insensible of the security and value of establishment and pensions.

I do not think we need subscribe to Disraeli's view of the difficulties. When he was Prime Minister a clerk in the War Office was promoted to be Controller of the Stationery Office, and he happened, as I understand by mere chance, to be son of an elector living at Hughenden. There followed a debate on the impropriety of putting a Civil Servant into a business post, which it was alleged should have been given to a man with commercial experience. Disraeli's answer was characteristically epigrammatic :

“ If the Government accepted that policy there were only two alternatives, to appoint a man who had retired from business or one from whom business had retired.”

I do not think the case is so bad as that.

There is I think a more serious objection. It is obvious that if it were to become at all a wide practice to recruit men for very responsible positions in trading departments from the outside, the existing staff of the Civil Service who had borne the burden and heat of the day from the age of 20

to the age of 40, would feel a not unnatural bitterness at plums of the Service going to men who for 20 years had had the freedom of private business and the opportunity of making money.

If there are difficulties in respect of the staff administering commercial enterprises there are others equally baffling arising out of the large staffs of manual workers employed by the State. I need do no more than refer to them because every one is familiar with the questions that arise from time to time as to the labour conditions of dockyard employees, and other large bodies of men and women in the pay of the State, who are also voters at all elections. We will assume for my present purposes, however, that all such difficulties are capable of being overcome by Whitley Councils or arbitration or other methods which prevent disputes of the kind from becoming the subject of political action and matter for election promises. If questions arising out of employment be excluded there are many other aspects of State trading which would hardly be kept out of the political field if that trading were on a large scale. May I take an example from a field familiar to myself, small holdings. The State or the County Council embarks on a commercial venture when it buys land and equips it for agriculture.

It invests large sums of money—the sum at our disposal under the Land Settlement (Facilities) Act just now is twenty millions of borrowed money on which (or rather on a part of which, after certain adjustments have been made in 1926) a

return will be expected from rents in order to meet loan charges. Musing on this I was interested to read in my old Chief's, Lord Ernle's, *English Farming: Past and Present*, written be it noted in 1912, the following observation on the Small Holdings Act of 1908, "if once the demand under the Act was approximately satisfied the pressure on County Council candidates for reductions of rent would be so severe as, in all probability, to result in considerable loss to the rate-payers."

Since that was written there has been not only no satisfaction of the demand, but a vast increase of applicants. Moreover, the small-holder's product has been in a rising market, but with the recent fall in prices that happy condition has ceased. I will merely give you an example of Lord Ernle's fears which you will please take as hypothetical:

Assume in a county electoral division a group of 150 statutory small-holders, and a sitting member of a fine Conservative landlord type familiar with the practice of remitting or abating agricultural rents in bad years. Assume also a generous-hearted Labour candidate anxious to storm the stronghold, and full of genuine sympathy with the ill-luck of men who have faced a bad season. Am I unduly cynical in remembering that a turnover of 150 votes counts 300 at the ballot, and that there might be some competition of promises with regard to reduction of rents? Nobody at least will deny that the questions put to the two candidates would tend to be concerned exclusively with economic rather than political details. That, however, is

a small issue. Let us assume that the milk trade or the bakery trade were nationalized. We have seen of late a good deal of criticism of the cost of the loaf. If there were a Minister of Bread what sort of pressure would be put upon him when a bad harvest in Canada or the Argentine put up the price of foreign wheat and raised the loaf, say, from tenpence to a shilling? What more simple than to keep the loaf at tenpence and indent on the income-tax-payer for the extra twopence. Everybody eats bread, not everybody pays income tax.

There is much logic in the claim that a Minister of Bread buying wheat on a colossal scale could average his purchases, and make a reserve in cheap seasons to meet rises in dear seasons. That would be an admirable arrangement, but we know by bitter experience that when a Ministry or Commission did this during the war, very wisely as I conceive, they were immediately accused of Government profiteering, and urged to give the consumer the benefit of their cheap purchases. The Sugar Commission is a case in point. Early in the war they bought well and selling only at a fair margin of profit kept the price low. Their monopoly power enabled them to achieve a good surplus and yet to supply the consumer on very reasonable terms. At a later period the world price of sugar soared to an excessive level, but the Commission could not secure Government sanction to an economic rise in the price to the consumer, with the result that the Commission ended up with

a debit balance of $24\frac{1}{2}$ millions. And remember, during the war Ministers and Commissions worked with such pleasant tools as votes of credit and no questions asked, or at least few answered. I do not think we can exaggerate the part played during the war by secrecy in purchasing and a general free hand, which seems to me inconceivable in ordinary political conditions. I cannot imagine the consumers forgetting they are electors also, and, in the event of State trading being established on any considerable scale, failing to form themselves into Associations to secure low prices for essential things by political pressure on their own members of Parliament. It may be said that consumers would have and ought to have a Consumers' Council—we have heard of such a body—to advise the Minister of Bread on prices and other conditions of sale, and I should agree. But we know quite well that it would not stop there, and that the real issue at the ballot-box would be, "We want a tenpenny loaf and we won't pay a bob."

It may be said that Parliament need not and would not go on dealing with such details if State trading were adopted on a large scale, that the trading would, in fact, be run by a Commission only indirectly responsible to Parliament. My answer is that I do not visualize the House of Commons abdicating its control of the public purse; and, however wisely manned such a Commission might be, the Public Purse would be involved to an immense extent.

I come now to the effect on State trading of

criticism in Parliament and in the Press. We all know something of this, and I confess that I do not regard the conduct of commercial affairs by a Government department as being possible if the people administering the business are to be shot at daily through the medium of parliamentary questions, debates on the estimates and so forth, and in the columns of the daily Press, but such criticisms are almost inevitable. It must be remembered that Government trading is done with the tax-payers' money, and that the trading operations must necessarily be the subject of reports which secure the widest publicity. It is not in human nature either for a Member of Parliament to waive the possibility of a political score or for a journalist to resist the opportunity to be sparkling, if he can point to a case where a Civil Servant has by his assumed action, probably, in fact, the result of some play of the market over which he could have no control, lost a sum of money provided by the tax-payers. I am well aware that the very able advocates of State trading admit that to secure efficiency, it should be withdrawn from continual review by Parliament, but I cannot conceive of a House of Commons which would surrender its most cherished right, the supervision of public expenditure, and I am dealing with things as they are and are likely to be for some time. It is inherent in all trading operations that money shall be lost as well as made. I have happily been connected in the past with some very prosperous undertakings, but also with others which for one

reason or another did not make money, and even contrived to lose what they had. But as no shareholder ever thanked me for what the prosperous companies returned to him, by the same token none was ever rude when things went badly. I know sometimes there are harsh sayings at the Cannon Street Hotel, but they are the exception, not the rule, and for good reason. People do not put their money into a concern unless they are satisfied that on the whole the directors are doing their best, and as directors generally have a more or less substantial stake in the concern themselves the belief is broadly reasonable. Anyhow, their money is not put into the concern for them by some one else.

If State trading became established with us, there would be some party in the State committed to a State monopoly for, say, perambulators. We will assume they win. The other party and their millions of supporting voters would be infuriated every time they remembered that their good money was being sunk in the accursed State perambulator. Every baby that was seen crying in one would be assumed to be suffering because it was in a carriage designed (by the other party) to make babies suffer. What chance would the Permanent Secretary of the Ministry of Perambulation have? How could he make the business a success?

I think there is substance in the charge that men who control State trading must tend to become unenterprising. After all, trading is an adventure and no adventure is likely to be successful if some

millions of people are entitled to carp at the adventurer all the time. The official must necessarily play for safety, because no one but his Minister and a few colleagues knows of his many successes or thanks him for them, and every one screams out at his few failures. Some Civil Servants are already a little weary at the vituperation about incompetent and overpaid and insolent bureaucrats in Whitehall, and many people who are not Civil Servants are seriously disturbed that we should be made the pawns in a political controversy. It is at least a possibility that a Civil Service which was concerned largely with trading would have to suffer much virulent attack with results gravely affecting the public service.

I therefore hold the belief that the proper function of the Government is to confine its relationship with trading (*a*) to securing the most complete protection of the buyer, so that he knows exactly what he is buying, by a wide extension of compulsory warranty; (*b*) to stimulating trade as far as possible by putting at the disposal of traders such facilities for research on so large a scale as may not be possible for the individual trader; (*c*) to providing complete information as to markets and consular services generally.

I believe that the genius of the English Civil Service as we know it is in the administration of the law rather than in trading, and that our whole governmental system would need to be changed before we could do the public's trading with success.

THE LIMITS OF STATE PARTICIPATION IN INDUSTRY

By SIR HERBERT MORGAN, K.B.E. (Director
of A. & F. Pears, Ltd.).

AT the very outset of this essay it is expedient to lay down a self-denying ordinance—to omit from the discussion all reference to the most extensive experiment in State trading which the world has yet seen—the activities of the Government during the late war. Both the successes and the failures of that experiment rested upon totally abnormal conditions and, while it is easy to generalize from them, it is fatally easy to generalize wrongly.

State participation in industry in its fullest form means nationalization, and to most people nationalization means mainly the State ownership and control of such necessary services as railways, coal-mines and so forth. But nationalization is something far wider than this—it connotes the passing into the hands of the State of all means of production and distribution in every industry. The merits and demerits of the nationalization of essential services has been sufficiently argued by those best acquainted with the pros and cons of

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the matter : the writer proposes to confine himself to a field of which he has personal knowledge and to consider what would be the natural results of State participation carried to its logical limits, in the complete control of a typical British industry. The subject falls naturally into two parts, according as we regard the effects of such a change upon the controlling element in industry and upon the workers respectively.

The controlling element of nationalized industry is and must be—no matter what we may call it—some form of a Civil Service, and the further nationalization spreads the wider and more embracing will the Civil Service become, till only a very small fraction of the population will remain outside the orbit of Government employment. Gibes against the “bureaucrats” are exceedingly easy and, in the writer’s experience of more than one Government department, usually baseless and unfair. The high code of our Civil Servants in the conduct of affairs, their great capacity, their untiring industry and their loyal service to the State are beyond all question. They place their great talents at the service of the country for inconsiderable material rewards, and vast numbers of them, who have materially added to the well-being and security of the country, are content to remain unknown to the world at large. They have breadth of vision and sound judgment, and in the conduct of those affairs for which the State is now responsible they have no equal.

So much having been said, and justifiably said,

as to the individuals of the Civil Service, it is still permissible to criticize the limitations of the system under which they work, particularly as it would affect the extension of Government enterprise to the ordinary business undertakings of the country. Those limitations may be summed up in a single sentence. The powers of the Civil Servant are at once too wide and too narrow for the conduct of ordinary business. Within the lines laid down for him every executive Civil Servant of any importance is practically supreme, possessing far more real power than the ordinary business man is prepared to entrust to any subordinate—be he agent, representative, district manager, or what not. Always within those lines there is no one to question his fiat: but it is just because those lines are as rigid and inflexible as a railway track that he cannot turn aside to right or left, to meet emergencies or to deal with exceptional cases. In business the difference between success and failure often depends upon making immediate and final decisions, upon taking risks which lie outside the general instructions which a subordinate has received from higher quarters. The Civil Servant who would presume to depart from the policy laid down for him well knows that he would soon find his career in the Service closed, and he therefore instinctively learns to play for safety along stereotyped lines.

A second defect of the Civil Service system, from the point of view of the business man, is the lack of the competitive spirit. Competition is essential to national trade development, and competition

and the necessity for making profits are two of the outstanding features in which business administration differs from State administration. In business every move made by a competitor must be watched and met, and it is essential therefore that industry must be controlled by men with the competitive spirit. Members of the Civil Service are reasonably assured of positions for life and pensions till death and promotion depends rather upon seniority than upon individual capacity, effort and industry : these last are not encouraged by a commensurate reward and once again therefore there is inevitably a tendency to act along recognized unvarying lines. It may be argued that, as nationalization is the negation of competition, the competitive spirit will no longer be necessary : but a nation cannot live by its home trade alone and the more competition in the home markets is eliminated, the more supremely important will it become to compete for the markets of the world.

Another defect of the Civil Service as an instrument for the control of industry is the fact that the officers responsible for sections and departments are only to a limited extent concerned with the selection and control of the staff who serve under them. It is an axiom in industry that the responsible head must have complete freedom in the selection, the promotion, the adequate remuneration and the dismissal, when necessary, of his subordinates. In a word, in business a man chooses his own tools : under State administration he must use those which

are allotted to him, whether they are suitable for his purpose or not.

Enough has been said, perhaps, to demonstrate, first that the controlling element in State-controlled industry must be, by whatever name it is called, a Civil Service, and secondly, that the methods, traditions and machinery of such a Service, admirable as they are for their own specific purpose, are not suited to the exigencies of modern competitive business life. Let us consider the probable influence of the transference of industry to State hands upon the other element—Labour.

Production and ever-increasing production, up to the furthest limit possible, are among the primary secrets of success in business. How far will production be increased if the worker becomes a servant of the State? Will it increase at all? It cannot, unless the substitution of State for private control so stimulates the loyalty, the enthusiasm and the energy of each individual worker that he is determined to reach the highest possible output. Under present conditions his main incentive to do so is the possibility of advancement, the main deterrent of slackness the probability of reduced earnings and ultimate dismissal: in other words, the chief regulating factor in output is self-interest. It is soberly suggested in some quarters that, under State control, the pure flame of loyalty will burn so brightly that the output of self-interest will be not only equalled, but surpassed.

Is it not much more likely that, under a Government subject to the control of a popularly-elected

Parliament, the promotion or dismissal of individual workers, the increase or decrease of individual wages—at present a matter entirely between employer and employed—will become political issues of the first moment? Under the State it would be almost inevitable that some form of guaranteed employment at guaranteed wages would be substituted for the present system: and the certainty of remuneration irrespective of merit or output is fatal to progress.

What would be the position of the State in the event of a strike of workers in a State-controlled industry—and it must be remembered that Labour has expressly reserved its right still to strike when it pleases, even in the event of the nationalization of industry? In sum the effect of such a strike would be that the loyal servants of the State would be impeded in giving their service by the State's enemies. No Government could survive if it tolerated for a moment an attempt of this kind on the part of the minority to control the majority. It would be no question of a fight between employer and employed, with the State holding the scales: it would be a contest to the bitter end between the Government, with all the forces of the State at its back, and the workers. That way lies civil war—and Russia has sufficiently demonstrated that civil war is the negation of successful industry.

It is not unfair to assume that these would be the results of the complete control of industry by the State: but we need not confine ourselves to assumptions and probabilities only. We can

legitimately point to those actual cases, in our own country, in other parts of the Empire and abroad, where the State is already the employer of large masses of labour. There is no evidence whatever that in such cases the State in fact proves a more satisfactory employer than the private individual or the syndicate: discontent is as rife under Government as under private service, and there is no outward sign of that vast increase of individual effort and output which the supporters of nationalization would have us expect as the result of the adoption of their panacea. The Prime Minister, in reply to a deputation from the Parliamentary Committee of the Trades Union Congress and the Executive of the Miners' Federation, has summed up in a single sentence the position as it is to-day: "I do not believe," he said, "you could point to any case where men work better for the State than they work for syndicates—not one."

Granted that the narrowness, the secrecy and the lack of co-ordination in business, which were so much in evidence before the war, are greatly to be deprecated, and that much more might be done in the way of pooling of ideas, co-ordination of effort and joint exploitation of the products of groups of industries, it is not on that account necessary to depart from the methods of individualism, which is already recognizing its errors in this respect and seeking to put its house in order. It would be a suicidal retrograde movement to abandon the well-tried methods and policy by

which the industry and commerce of the country have been built up, and to surrender competitive business entirely into the hands of the State, in face of the proved unsuitability of a Government department for the control of such business, and the entire lack of evidence that either the output or the conditions of the workers would be improved by the change.

If, however, we rule out complete State control of industry, there are still certain lines along which it would appear that the extension of State participation in industry would be of value. While the safety, health and well-being of the workers are usually matters of real concern to the employer, the Government must always have the power to intervene in the case of that happily small percentage which can only be brought to give attention to these things by the strong hand of compulsion. Such participation by the State might usefully be extended to secure, not only the abolition of hardships and avoidable dangers, but the raising of the standard of comfort of the workers to the highest point which the particular industry will allow. Side by side with this, the State, controlling both the funds and the machinery of education, would confer a double benefit, upon the worker and upon industry as a whole, by co-operating to the extent of a wide development of technical education and research.

In the wider aspect the State might participate more fully, not in individual industries, but in British commerce as a whole, and, by developing

its existing system of representation in all parts of the world, could stimulate, encourage and extend that commerce in a way and on a scale that is impossible for the individual trader. Finally, it might be wise for the State to reserve the power at times to control certain raw materials and thus prevent either the businesses of this country from being held to ransom by competing nations or undue discrimination being exercised to the detriment of this or that manufacturer or group.

Subject to these limitations, what British industry requires to-day is not an extension of State participation, but the total abandonment of such control as has perforce been adopted under abnormal conditions, much of which has already, to the great relief of the business community, become nothing more than a tragic memory. Let the State see to the conditions under which the workers work, and take its fair and reasonable toll of the profits made: the rest may well be left to that private enterprise which has done so much to build up the British Empire.

TELEPHONE ADMINISTRATION

By SIR ANDREW OGILVIE, K.B.E., C.B., late Second Secretary to the General Post Office.

THE telephone business, like most other things, when seen at close range is not so simple as it seems at first sight. There is a good deal more to be said about it than can be said in such a discourse as you would care to listen to to-night. I will therefore endeavour to deal only with a few of its aspects which will, I hope, appeal to your Society.

In the first place as you are specially interested in the methods and principles of all phases of State administration I will endeavour to describe the special problems with which a telephone service has to deal and the methods and principles of the organization which the Post Office has set up to deal with them.

As you are all newspaper readers you have probably read during the last two years many articles saying how incredibly bad the Post Office Service is as compared with similar services in America and elsewhere or as compared with the former service of the National Telephone Company in this country, and how impossible it is for a Government depart-

ment to carry on such a service as efficiently as private enterprise.

No doubt many of you are convinced upholders of national administration. On the other hand I have observed that some Civil Servants, although assured of the excellence of their own departments, are not so sure about other departments and feel that there must be some basis for the frequent abuse of Civil Servants. When they read violent newspaper attacks, such as have been made on the Post Office telephones, they are perhaps inclined to say, "Serve them right, these are the idle fellows who bring discredit on the excellent body to which we belong." If there are any such Civil Servants here to-night I hope to show them that the attacks are due not so much to the faults of the Post Office, as to the unfortunate conditions arising from the different methods of management in the past, and perhaps most of all to the recent outburst of feeling against nationalization in all forms, due probably to the after-effects of widespread Government Control during the war.

Lastly a good many of you are telephone subscribers and may doubt the justice of the increased rates which you are told in many quarters are unnecessarily high, but I hope to show you that it is not bad management but the enormous post-war rise in prices which has made them necessary.

METHODS AND PRINCIPLES.—I will now try to give you some idea of the methods and principles of telephone business.

The telephone as invented by Graham Bell in

1876 was an instrument with a very short range of transmission. Even when Edison's improvements were added to the transmitter in 1877 the length of lines was very short. Each line as a rule was a direct connexion between two points, not more than four or five miles apart. Then it occurred to small groups of persons, such as the partners in a firm, that if each had a line to a common centre, communication between any two members of the group could be given by a simple switching arrangement, such as was then used in this country for intercommunication between small groups of A.B.C. telegraph lines. At Newcastle, Glasgow, Cardiff and some other places the Post Office had small telegraphic exchanges of this kind. Gradually as telephonic transmission became efficient for greater distances these telegraphic exchanges were fitted with telephones, and other similar exchanges were set up elsewhere. The greater convenience of speaking telephones, even as compared with a simple telegraph like the Wheatstone A.B.C., created a wholly new demand for communication. The switching arrangements became more complicated as the intercommunicating groups grew larger. The connecting terminals of the lines were grouped in a frame in front of an operator until the capacity of a single frame was exhausted. Then a second frame was added beside the first, and a third beside the second, and so on. An operator receiving a call for a subscriber on another frame passed the demand by word of mouth. It may be imagined that, as the frames extended round the exchange-room, the

ringing of subscribers' bells and the voices of the operators passing calls led to difficulty and confusion in working.

The next step was to give each operator a line to each of the other positions so that calls, instead of being shouted, might be passed by telephone in a low tone of voice. Mechanical indicators to show when calls were being made by subscribers were substituted for bells in exchanges.

Even these improvements did not long meet the requirements of exchanges in large towns. Service for more than a few hundred subscribers was difficult on switchboards of this type. The next great advance was the addition of what is known as a "multiple" of the connecting points of subscribers' lines. Each line is primarily connected with a metallic ring, known as a "Jack" fixed in the switchboard panel in front of the operator whose duty it is to answer the calls on that line. Connexions between subscribers' lines are made by means of flexible cords containing wires and fitted with terminal metallic pegs which are inserted in the Jacks. By the multiple arrangement each line was extended beyond the first answering Jack and connected with a similar Jack in front of every group of two or three operators and within reach of each operator. In this way any operator on receiving a call from one of his subscribers could connect the subscriber's Jack with the Jack of any other required subscriber in the exchange. The passing of calls between operators, with the attendant delay and risk of error, became unnecessary. Each operator could

complete every call unaided in a minimum time, and the number of subscribers who could be served by an exchange was greatly increased. The practical limit was the number of multiple Jacks which could be placed on the switchboard within reach of each operator. It has been found by experience that 10,000 is the most convenient maximum, but by making the Jacks smaller the number can be increased. I have seen in America a multiple for serving 20,000 lines, but working and maintenance difficulties are increased on such a switchboard, and the use of five-figure numbers for some subscribers becomes necessary. This in itself is a serious objection. The average man or woman can deal with four-figure numbers much more correctly than with five-figure numbers.

So far I have described the switchboard suitable for a single exchange serving an area. But when subscribers are numbered by thousands it is seldom that they can be grouped on one central exchange owing to their irregular distribution over a large area. In order to serve subscribers by lines of moderate length, it is necessary to have two or more exchanges. In the London area there are at present no less than eighty-one exchanges.

It then becomes necessary to build switchboards so as to provide not only the means by which a subscriber may call other subscribers on his own exchange, but also to provide appliances to enable him to make calls for subscribers on other exchanges or to receive calls from them.

Each answering operator has to be provided with

junction lines to the other exchanges, and besides the answering positions on an exchange we have to provide positions for incoming calls on junction lines from other exchanges and to provide these positions with the complete multiple of exchange subscribers.

There must also be provided at every operator's position a multiple of the Jacks of the junction lines between the exchanges.

A simple calculation illustrates what a huge complex a modern switchboard becomes by the endless repetition of its elements. For a busy exchange with a capacity of 10,000 lines, such as are our principal exchanges in London, we may have 100 to 120 answering positions and from 30 to 60 positions for inward calls. As an average say about 150 positions in all. The number of Jacks will then exceed 500,000. Each Jack has not only the two wires of a subscriber's line attached but also other subsidiary wires, and the number of soldered connexions on the Jacks and other parts of the switchboards is numbered by millions. It is said that it takes as long to construct a first-class exchange as to build a battleship. Luckily the cost is not quite so high, but the complete exchange will cost about £250,000 at present as compared with about £80,000 at pre-war prices. A simple switchboard for two hundred subscribers could be provided for about £7 or £8 per line. From this we see one of the reasons why the relative cost of telephone working increases as the system grows. Production on a large scale does not diminish the average cost of dealing with

calls in the Telephone Service as large-scale production reduces cost in most industries.

Another cause of the increased cost is the increasing proportion of calls which have to be dealt with by two operators on two switchboards instead of by one operator on a single switchboard. In many London exchanges from eighty to ninety per cent. of the total calls are handled at two exchanges.

When the proportion of calls made by the subscribers on any exchange for subscribers on the same exchange is small—say twenty per cent. or less—it may be more economical not to provide a complete multiple of subscribers' lines at the answering positions but to provide some special multiple positions through which the exchange operators can complete calls for subscribers on the same exchange. It is one of the problems of management to determine when the saving for interest, depreciation and maintenance, resulting from the smaller number of multiple positions, balances the additional cost of employing a second operator for every call between subscribers on the same exchange.

The number of operators' positions required depends primarily on the total number of calls to be dealt with in the day, but unfortunately those calls are not evenly distributed. There is always a busy hour on each exchange, and such a number of operators and positions must be provided as will allow the calls of the busy hour to be dealt with promptly and accurately. The busy hour is usually 10.30–11.30. Another rather less busy hour follows. Then

there is a drop during lunch-hours and then again two fairly busy hours.

Long experience both in this country and the United States has arrived at standard loads and relative time values of different classes of calls, so that the operator's position loads may be carefully adjusted. Subscribers make varying numbers of calls, and it is desirable to mix busy and less busy subscribers on one position, so as to equalize as much as possible the numbers of subscribers on all positions. There is economy in the use of switchboard plant in this arrangement, and less uncertainty and irregularity in the flow of calls to which the operator has to attend. A few subscribers making a high number of calls are more likely to make calls simultaneously than a larger number of subscribers making the same total calls. The load of a position has to be carefully adjusted in relation to the desired standard of service. There is never quite an even flow of calls. There will be occasional intervals with no calls, and at times several will come simultaneously. The load must never cause a subscriber to remain unanswered for many seconds. About ten or twelve seconds should be a maximum. An average of five seconds is good. An average of four seconds requires considerably more operators.

During the busy hour the maximum number of operators must be on duty. The hours of duty of all the staff must be so arranged as to make the number vary as nearly as possible with the varying amount of traffic. When the traffic is fairly evenly distributed over the working day this is easy. When

the busy-hour calls are a high proportion of the total calls it is more difficult and staffing is consequently more expensive.

From these few indications you will see that not only is a numerous and well-trained staff of operators and supervisors required for an efficient exchange service, but also a highly trained staff of traffic experts who have to deal with the adjustment of apparatus, staff and traffic as the traffic increases, so as to provide an economical and efficient service.

Besides exchange plant a telephone service requires lines. In the earlier days, when small groups of subscribers had to be served, each line was run independently, either on poles or by attachments to buildings, etc. Then, as the numbers increased, aerial cables and heavy groups of open wires came to be used, until it was no longer possible to find room for them in large towns. Then underground cables had to be laid and the most economical method of providing such wires became a matter of serious study. In each town there is an irregular disposition of subscribers' premises, and wires must be laid so as to provide the shortest routes to exchanges and the greatest concentration of wires on routes, in order to keep cost as low as possible. But clearly when we dig up the streets to lay underground cables we cannot consider only the existing subscribers then to be served. We have to forecast the number of subscribers to be served in ten, fifteen, twenty, thirty or more years and their probable distribution over the area. It is more economical to spend additional money, with con-

tingent cost for interest and depreciation, in providing the pipes likely to be required later than to be frequently digging up the streets to lay additional pipes. Similarly cables with spare wires must be provided, so that service may be given on demand on any route. When a cable is filled, then a new cable of larger capacity must be laid or an additional cable in an empty pipe. There is therefore a serious economic question in the provision of pipes and cables, and in each town it is necessary to have a "development study" made by experts and kept constantly up to date, so that the requirements for long periods ahead may be foreseen and met by additional plant in anticipation of demand.

During the last twenty years many improvements have been made in cable manufacture. The capacity of a cable to be laid in a single pipe has increased from 200 pairs of wires to 1,200 pairs. Eight hundred pairs is a common number in daily use. The wires are of very small gauge and their relative cost less than that of heavier wires. In this respect there is a cheapening of the cost of service as the underground wires in a city become more numerous, which offsets to some extent the increasing cost for exchanges and plant, but a balance is not yet established. Working costs still increase more and not less than proportionately as the Service grows.

The future development of the Service presents problems as to the scale on which exchanges are to be built so as to provide economically for future service similar to those which arise in connexion with underground wires.

When the capacity of an exchange is exhausted it becomes necessary to provide a new and larger exchange. This may either replace the existing exchange or be supplementary. The development study of the local distribution of new subscribers in the area shows the most suitable centre for the new exchange. If both exchanges are kept at work costs increase for double operation and junction lines. If the old exchange is scrapped probably some part of its working life has to be sacrificed, and the money value of this has to be set against the operating saving with a single exchange.

If the old exchange has come to the end of its working efficiency the new exchange must provide for the service of its subscribers as well as for new subscribers. How much the spare capacity should be is a problem requiring a forecast for the next twenty years, which may be taken as about the working life of a switchboard. The exchange building has to be provided of sufficient size to accommodate the completed switchboard—or must be capable of economical extension for the purpose. The old exchange remains at work till the moment the new exchange is ready to take up the service. Duplicate connexions of subscribers' lines must be made and the actual "change over" occupies a few minutes only.

The extension of the switchboard is carried out as the Service grows. If the forecast has been correctly made, there will be sufficient spare capacity to meet all demands until the oldest portion of the exchange is worn out. Frequently in the past,

however, it has been found that owing to the unexpectedly rapid increase of new subscribers, exchanges have to be scrapped and replaced because they are inadequate and before they are worn out.

When one goes into problems of this kind they are found to be much more complex and to require a more elaborate and scientific investigation than might be supposed from this bald description, but you can perhaps form some idea of the problems involved in telephone management.

ORGANIZATION.—Under the National Telephone Company the country was divided into fifty-five districts, each containing several exchange areas. The staff of each district consisted of a district manager in charge, with three specialized and expert staffs under his control.

1. The engineering staff charged with the construction and maintenance of plant.
2. The traffic staff charged with the operation and management of exchanges and the study of traffic changes and requirements.
3. The commercial staff to negotiate contracts with subscribers and collect materials for development studies.

Each district manager had a clerical and accounting office staff.

The organization was therefore territorial, so far as the division into districts was concerned, and functional within the districts.

The districts were grouped into provinces each under a superintendent, who was a supervising and inspecting officer responsible to head-quarters for

the efficiency and financial success of the districts, but not otherwise exercising executive functions. At head-quarters there was a President and Board of Directors exercising financial control, with a General Manager, advising as to the practical working arrangements necessary to obtain the desired financial results and issuing the necessary directions to his executive officers. There was also a General Superintendent looking after the details of executive working, and an Engineer-in-Chief whose duty it was to conduct researches and to prescribe proper methods and standards for the construction and maintenance of plant. His staff also supervised and carried out special works of a novel kind beyond the capacity of the local engineering staffs, but otherwise he exercised no executive control over the district engineers.

When the company's plant was taken over by the Post Office the whole of the staff was also transferred, with the exception of a few senior officers, including the Board, the General Manager, the Engineer-in-Chief, the General Superintendent and a few of the provincial superintendents who did not wish for transfer. Practically the duties thus left vacant were covered by the existing staff of the Post Office. The Secretary and Telephone Assistant Secretary took the duties of General Manager and partly of the General Superintendent. The Engineering and Accounting work was taken over by the Engineer-in-Chief and the Accountant General of the Post Office. The remaining provincial superintendents were joined to the Post Office

Telephone Traffic Staff, and became a head-quarters supervising and inspecting staff for all districts. The subsequent fusion with the Telegraph Traffic Staff has secured co-operation in working between the telegraph and telephone systems with resulting efficiency and economy.

The whole of the district staffs were transferred, and the existing organization maintained within the districts. The Post Office surveyors in charge of districts corresponding with the provinces of the company were given disciplinary and staff control over the district staffs—thus taking certain functions of the company's provincial superintendents. The control of the district engineering staffs was taken from the district managers and the district engineering staffs were added to the staff of the Post Office sectional engineers, who are under the executive control of Superintending engineers and of the Engineer-in-Chief at head-quarters. Since then the organization has remained essentially unchanged—though the district traffic staffs have been strengthened and some of the smaller districts have been combined so as to justify the employment of more experienced and more highly paid managers.

The most obvious risk in the transfer of engineering responsibility to the Post Office sectional engineer in each district from the district manager was that there might be some want of co-operation between the two officers. This risk was met by recasting the engineering sections so as to coincide with the telephone districts and by placing the district manager and the sectional engineer in the

same office building, so that the personal discussion and not official correspondence could in a few minutes clear up any difficulty. Fortunately this arrangement has been worked with entire goodwill by both classes of officers and entirely effective co-operation has been secured.

ACCOUNTING.—In developing its own telephone business and in taking over the company's system the Post Office was faced with the problem of exact financial management of a highly complex business involving large capital expenditure, and it became necessary to modify the Post Office accounting system and to replace a bald record of receipts and expenditure by a cost accounting system, analysing the expenditure in the working of each part of the organization, so that the financial results of different methods and varying control may be constantly watched by the responsible authorities. Without such a cost accounting system, the general control of a business of this kind is entirely blind.

The general accounts on this basis are published annually. They were, I believe, the first accounts of the kind issued by a Government department, and a high authority, Sir William Peat, said recently before the Telephone Select Committee that he knew no system of Government accounts which was as complete and satisfactory. The establishment of a telephone Capital Account dates back to 1892 when the Post Office undertook the provision of trunk lines.

The general accounts show the whole expenditure incurred in administration and operating, in day-

to-day maintenance, in renewals and in the payment of interest. Allowances for the accruing depreciation and the liability for staff pensions are also shown as separate items. The cost of all services by other departments are duly debited, as are also rents for Post Office premises used, the rates paid on wires and all other items which would appear in the accounts of a commercial company.

The revenue side shows not only the actual receipts proper to each year, but also the value of the telephonic service given to other departments, which, if obtained from a commercial undertaking, would have to be paid for.

The accounts therefore show the exact commercial results of the business year by year. Unfortunately Members of Parliament and members of the public who pose as expert critics of telephone business very seldom seem to read them.

RELATIONS WITH THE PUBLIC.—Another difficulty encountered by the Post Office was the feeling of the commercial public, especially in the provinces, that a Government department as a telephone authority would be much more difficult to approach than a commercial company. It was feared that the local officials would become more irresponsible and unsympathetic to local representations, and that beyond them the only methods of redress of grievances would be by official correspondence, deputations to the Postmaster-General and questions in Parliament. This apprehension was felt by the Postmaster-General to be a real difficulty and it was therefore decided to form

Advisory Committees of representative business men in all large centres. In each case the Corporation and the Chamber of Commerce were asked to invite all important interests to send representatives to such a committee. They were promised that the local officials should attend their meetings and give any desired information as to the telephone business. Certain information, such as the number of complaints, of new lines, of lines given up, extensions of the local exchanges, etc., were given regularly each month. The committees were at liberty to inspect and examine in detail the working of exchanges and of any other parts of the business and were promised that any complaints sent through them should be fully investigated to their satisfaction.

In all fifty-two of these committees were formed, and between 1912 and the outbreak of war did most excellent work in the provinces. A certain competitive feeling between the different public bodies concerned made them select good representatives. The committees took a sensible and business-like view of the matters that came before them. Groundless complaints were discouraged. They were satisfied that management was intelligent and considerate, and the feeling of mistrust which the British public entertain towards all State officials was largely overcome. Unfortunately during the war the committees ceased to meet. They were otherwise occupied and in any case the suspension of active development in the Telephone Service and other difficulties due to war conditions would have

made their meetings useless. The committees are, however, now being revived and will no doubt take an active interest in the working of the Service.

Another feature of Post Office Telephone management to which I should like to refer is the encouragement given to the British telephone manufacturing business, which practically dates its existence from the time when Post Office active competition began.

DEVELOPMENT OF BRITISH MANUFACTURES.—The National Telephone Company and its predecessors had a patent monopoly of telephones till 1891 but bought their apparatus abroad. When the Bell and Edison patents expired they continued the same policy, because the establishment of factories in this country would have helped competition. In 1900, when competition by the Post Office and some municipalities began, the company had bound itself to an American company for all "Central Battery" plant, and the American company had agreed to supply no competitors in this country. The Post Office obtained Central Battery switchboards from the American Patentee Company only by threatening the use of Crown rights under the Patent Acts. The municipal systems could not obtain such plant, or, indeed, any satisfactory plant in this country.

The Post Office at once announced a policy of using British manufactures only. The American company was asked to manufacture in England. The establishment of other companies was encouraged, and in a few years, besides other smaller

concerns, there were four large companies at work, all capable of producing the largest and most modern switchboards besides all other telephone plant. These companies have also a large colonial and foreign trade and the whole of this industry is the direct outcome of Post Office management.

HISTORY OF THE SERVICE.—I will now endeavour to outline the difficult and unfavourable conditions under which the Telephone system in this country has had to be developed by the National Telephone Company until 1912 and by the Post Office since that date.

Commercial telephony in this country practically dates from 1881, when Mr. Fawcett licensed a number of telephone companies. He thought, and, probably, rightly, that active competition would result in the survival of the fittest and that there would be more rapid development of an efficient system than would be possible for the Post Office subject to the narrow-minded Treasury control of those days. Unfortunately one company owned the Bell and Edison patents, which became the master patents after some litigation, and the business became a monopoly in the hands of the United Telephone Company which worked in London, and of its subsidiary companies working in the provinces. The British public did not take eagerly to telephones. The companies charged high flat rates to big and little users alike and aimed at securing the largest possible profit on the smallest financial outlay and risk. Their ordinary shares were sometimes distributed in the form of paper to local persons of

influence. The plant was almost entirely built out of debenture money. Naturally progress was slow. In ten years less than 50,000 telephones were at work.

In 1891 the instrument patents expired and the companies federated under the National Telephone Company to face competition, which, however, was slow in coming. Capitalists did not favour either party. Two competing companies were started in London and Manchester, but the promoters pretty quickly sold out to the National Company.

Difficulties in raising capital continued. In 1892 the company agreed to sell its trunk lines to the Post Office, which was in future to carry on this part of the business. The company could not get enough capital for trunk lines as well as local exchanges. Even local development was slow. Flat rates remained in force for every one and small users would not take telephones. The company was hampered by want of wayleave rights on public roads, and, even after an enabling Act was passed with the assistance of the Post Office, suffered a good deal from the jealousy of local authorities, some of whom, as in London and Glasgow, began to have cravings for municipal systems. The service was undoubtedly bad and ill-developed.

A considerable period of public agitation resulted in the appointment in 1898 of a Select Committee, with Mr. R. Hanbury, Secretary of the Treasury, as Chairman. He and some others of the committee and witnesses took strong views as to the possible cheapness of telephone service in this country on the analogy of the services in Norway and Sweden.

They were also encouraged to favour municipal enterprises by the success of the Glasgow Corporation Tramways. After a prolonged inquiry they reported that the costliness and inefficiency of the company's service made it necessary to have immediate competition by the Post Office and municipalities.

The Government then decided to issue licences to local authorities in all places with more than 50,000 inhabitants. In the London area, which included the territories of 110 local authorities, the Post Office was to work, as well as in the less-populated provincial districts, which as a rule had been severely left alone by the company.

Many municipalities thought about starting telephone systems—thirteen applied for licences, which were granted, and six actually set up systems, which got to work in 1901 and the next few years.

These systems were handicapped from the start. They could not get the best switchboards. Their other plant was cheaply, and not very well, constructed. They could not get good expert advisers and officers. They were pledged to very low rates, which ceased to be profitable as the expenses grew. The municipal systems in Tunbridge Wells and Swansea were sold to the company, and those in Glasgow, Brighton and Portsmouth to the Post Office, to avoid financial disaster. The Hull system, which prudently started with higher rates—which have since been raised—remained till 1912. The Postmaster-General then offered to buy it on the terms given to the National Company or to sell the

company's local plant at its purchase price. The Corporation bought the plant and still carry on the only municipal system. It gives a good service chiefly because it managed to secure a very able manager and engineer.

A serious difficulty in municipal competition was the absence of intercommunication between the subscribers of the rival local systems. Only local loyalty and low rates secured subscribers. Subscribers had to belong to two systems and pay two subscriptions to get a full service.

As a permanent condition local telephone competition is impossible.

The Post Office developed its London plans and began working in some neglected provincial areas. In 1901 the company opened negotiations. They knew that the Government would provide a good many millions for competition. Although their system occupied the ground, it was undeveloped. Their licence was to end in 1911. Their existing plant, as well as new plant, would then be worth scrap value only. They could get no more capital for extensions. On the other hand the Post Office had no subscribers and could not promise communication with the Company's subscribers. In 1911 they would have no plant to serve those subscribers and the service would suddenly cease, unless the Post Office could meantime construct duplicate plant, an extravagant and really impracticable operation.

It was clearly necessary to make some working arrangement, and it was agreed to buy the company's

plant at the end of the licence at its depreciated cost. This secured the company's shareholders against total loss of capital, and at the same time saved from destruction a public asset worth many millions. It also enabled the Company to co-operate with the Post Office in development, and it gave to the first and every other Post Office subscriber the right to speak to every subscriber of the Company. To secure economy in development the Post Office and the company divided the outlying parts of the London area for working and the Post Office took over some existing exchanges of the company in its territory. In central London where both systems had to work it was agreed to put the Post Office Exchanges in those spots where new exchanges would naturally be required in course of time to supplement the company's exchanges.

As the service was the same on both systems uniform rates were adopted. The flat rate of £20—practically the only rate then available in London—was reduced to £17, and the message rates in force till the end of last year were introduced for the benefit of small users.

The result has been a large development of the Service. Working telephones increased from 39,000 in 1901 to 208,000 in 1911 and 322,000 at the end of last year.

Competition also brought about a great improvement in the efficiency of the company's service—although there were very constant and severe grumblings by the public until the end of the company's days.

In 1905 a similar agreement was made as regards the company's provincial system and plant, and the measured service rates, recently abolished, were then introduced for the two systems.

Before these agreements were made the company had difficulties in raising capital and were always short of spare plant. In 1905-6-7-8 they spent more on development and spare plant, but then came a period of falling expenditure when spare wires were used up rapidly for additional subscribers and piecemeal additions were made to existing exchanges to enable more revenue to be earned. Moreover development studies and the preparation of plans for new exchanges and new underground wire systems ceased. The Purchase agreement has been blamed for these results. As a matter of fact the company never had enough capital for the construction of plant for future development. In 1900 they spent £835,000. In 1902 only £562,000. In 1906, the year of the Purchase agreement, they spent nearly £1,000,000, and in 1907 about £1,130,000. Then expenditure rapidly declined until in 1911 they spent only £361,600.

The reason which led to this reduction also prevented the Company from accepting the Post Office offer to find capital for development to meet future requirements. It was as follows: All extensions of a telephone system involve reconstruction of existing parts and the company became unwilling to scrap plant which otherwise they might sell to the Post Office in 1911. Naturally they would not sacrifice £5 worth of useful stuff to secure the

construction of, say, £25 worth of additional plant for future, and chiefly Post Office, use.

To meet this difficulty the Post Office offered to allow such scrapped plant to be scheduled and paid for in 1911 at the price to be fixed by arbitration for similar existing plant, but the Company required an agreed price to be accepted for the scrapped plant. Such a price might have seriously prejudiced the arbitration price of the whole system. Naturally the Post Office could not accept that condition.

The general result was that when the Company's system was taken over service could not be given to new subscribers in many areas because there were no spare underground wires and pole routes were seriously overloaded. Many of the exchanges also had no spare capacity. Many indeed were overloaded.

Without proper development plans and in the midst of the plant arbitration—the biggest of its kind in this country—it was difficult for the Post Office to construct new plant or to give efficient service immediately after the Transfer.

Underground wires and modern exchanges take a long time to plan and construct, but in 1912-13-14 the Post Office spent about seven millions on new plant, or on an average more than twice as much per annum as the company's highest expenditure.

The fact that this huge expenditure did not enable the whole deficiencies of plant to be overtaken—so that in many areas there were districts in which new subscribers could not be served—shows how great was the accumulated deficiency and not that

the Post Office was remiss. It may be said that every available man of the staff and every available contractor or manufacturer of plant was at work.

Not only were many exchanges overloaded, but there was also a rapid increase in new subscribers in 1912, 1913 and 1914. There was also a considerable increase in the calling rate of subscribers. In 1912 the daily number of calls in London was less than a million. In 1914 it had risen by 10 per cent. to over 1,200,000. The result on overloaded exchanges was to make efficient working more difficult. Nevertheless the average answering time in London exchanges was reduced from 5·2 seconds in 1912, to 4·6 seconds at the end of 1914, and there were other similar indications of an improved service. For instance the percentage of lost calls, i.e. engaged calls, no replies, cut-offs, etc., which in 1911 varied from 33 to 36 per cent. of the whole traffic, was reduced to 25 per cent. in 1914 in spite of the increase of traffic, a condition which tends to increase the proportion of failures.

FINANCE.—As regards the financial results of the transfer I should like to say a few words. Critics of the Post Office constantly make the statement that the business which under the company paid royalty to the Post Office, dividends to shareholders and large contributions to a reserve fund at once under Post Office management ceased to do these things and, besides, incurred a loss. In this connexion I should like to read a little analysis of the relative expenditure of the two systems.

In 1910 (its last normal year) the company spent

in administration, operating and maintenance £3 3s. per telephone, and in 1912-13 the Post Office spent for the same purposes £3 12s. per telephone, but this maintenance cost the Post Office 14s. 2d. more per telephone because the company reduced such work during its last years. The company and the Post Office spent respectively 5s. 10d. and 11s. 4d. per telephone on renewals in the same years. It is true that the company paid 12s. 8d. per telephone as royalty under its licence, but this was less than the Post Office excess expenditure of 19s. 4d. on maintenance and renewals due to the condition of the company's plant. The company's Reserve Fund payment was 19s. 4d. per telephone and its equivalent, the Post Office allowance for depreciation, was £1 1s. 2d. The general result of the company's working in 1910 was a total expenditure of £6 13s. per telephone and a revenue of the same amount. In 1912-13 the Post Office spent in working the combined systems £6 7s. 11d. per telephone and had an excess profit of 9s. 10d. per telephone. In 1913-14 the results were still more favourable. After providing for every item of expenditure, including interest and depreciation, met by the company the Post Office had a profit balance of £395,000. It is also worth noting that this result was obtained in spite of an increase of about £158,000 a year in putting the company's staff on Post Office scales and a charge of £243,000 to meet the prospective pension liability in respect of the same staff. The company's payment to its staff pension fund in 1911 amounted to £13,000 only.

EFFECT OF THE WAR.—Soon after the outbreak of war the traffic fell off. The daily number of calls in London fell gradually to under 900,000 in 1916 and remained at about this figure till the Armistice. This result counteracted the shortness of plant and made it possible to deal very efficiently with the traffic difficulties, and complaints fell off correspondingly. Nevertheless at this time a further cause of difficulty arose. Large numbers of experienced operators left the Service for other war work. Recruits of a good class could not be obtained. In London alone several thousand operators were lost and the exchange staffs gradually became less experienced and efficient. Then immediately after the Armistice the traffic rushed up nearly to pre-war level and reached a daily total of 1,170,000 calls in London. In 1920 the daily totals further increased beyond pre-war levels. The London daily total rose to about 1,320,000 and, in spite of the increased numbers of the operating staff since 1918 and their increased efficiency, there have undoubtedly been difficulties and defects in the Service. The traffic has more than filled the capacity of exchanges. Nevertheless written complaints which reached a maximum in the first part of 1919 and then numbered in London about $9\frac{1}{2}$ daily per 10,000 exchange lines had fallen in the second half of 1920 to less than half that number.

Besides the complaints against the Service the public in parts of London and elsewhere cannot be given new lines owing to shortage of lines and of exchange accommodation. From 1915 onwards

the construction of new exchanges and underground lines practically ceased. No money could be spent except for war purposes. In London the Post Office had then a nearly completed exchange building for 10,000 lines north of the City. Three sites for similar exchanges had been bought. If the war had not happened these exchanges would have provided for nearly 40,000 lines and 60,000 telephones. Besides allowing new subscribers to be served, old subscribers could have been transferred from the overloaded exchanges and the traffic reduced at those exchanges so as to be handled with full efficiency. It may be said that two years have elapsed since the Armistice—but on the other hand it now takes two years to complete a first-class exchange building and two years to build a first-class exchange switchboard. Manufacturers engaged in war work have been slow in reverting to telephone work and even now essential supplies can be obtained only in half the quantity required.

It is not wonderful that these war conditions have produced difficulties. In New York, which is always said to have the most efficient telephone system in the world, eighteen months of war conditions produced even more serious disorganization.

During the war also some 15,000 engineers and workmen—out of a total staff of about 22,000—were serving in the army, and the remainder—supplemented by such assistance as it was possible to obtain—were busily engaged in providing war communications in this country, such as the elaborate and widespread system required for anti-aircraft

defences, and the telephone lines required by all the War Departments. Maintenance and renewals had to be postponed as much as possible and the preparation of new plans was impracticable. Arrears of these kinds of work inevitably accumulated and have formed a heavy burden on the staff and system for the last two years.

It is very unfortunate that when the Coal Commission was sitting the Post Office telephone system was quoted as an example of the advantages of nationalization, and all good anti-nationalizers immediately got upon the warpath. Two long series of articles appeared in the *Evening News* and *The Times*—both by the same hand—in which the results of war difficulties were ingeniously misrepresented as due to the inherent deficiencies of a Government system. These and other similar attacks have created a strong prejudice, and the public have not been slow to express towards the Post Office those feelings which are the after-consequences of the widespread Government Control necessarily in force during the war.

That the Post Office should dare at such a time to enforce considerable increases in its telephone charges naturally appears to be “Bureaucratic Tyranny of the worst kind.”

THE NEW RATES.—I must say a few words as to these increases and their reasons.

In 1917-18 in spite of the addition of £556,065 to the normal wages of the staff, there was a profit balance of £144,000 after meeting every liability of the system, including interest and depreciation.

In 1918-19 the war bonus addition increased to £1,198,000 and there was a deficiency of £164,443. In 1919-20 the war bonus increased to £2,600,000 and the deficiency to £1,080,000. For 1920-21 the bonus is estimated at more than £5,000,000, I understand, and the deficiency at about £4,480,000.

Since 1913-14, while revenue has increased from £6,200,000 to £9,700,000, expenditure has increased from £6,000,000 to £14,200,000.

The critics allege that this enormous increase in expenditure is due to Post Office mismanagement, but the figures I have quoted easily show this to be an error. But for the war bonus the rates hitherto in force, which were slightly increased in 1915, would have produced an excess profit, after meeting every liability, of more than £500,000 in the current financial year in spite of increased cost of other kinds. Clearly then, financially, the management is better and not worse than it was before the war or in the National Telephone Company's time.

As to the merits of the war bonus I need hardly say anything to this Society, nor as to the fact that it comes to the Post Office as a part of the general administration of the Civil Service, for which the telephone system is entitled neither to praise nor blame.

The increases in the cost of materials have also been large—though the result is not so important as the rise in wages.

The total increase of revenue resulting from the new rates is estimated at 80 per cent. on pre-war revenue and 67 per cent. on revenue from the rates of 1915.

These increases compare favourably with the increases for other Services—as for instance the Railway Service with its 67 per cent. increase in passenger rates and 100 per cent. on freight charges.

Railways, moreover, have an important advantage over the telephone system. They have not to incur large additional capital expenditure year by year on extensions, as the Telephone Service has. How serious this liability is is illustrated by the following facts. Telephone exchange equipment and apparatus and aerial and underground lines cost on the average three times what they did before the war. Interest instead of 3 per cent. is 6 per cent.

Plant costing £100 to construct, £5 a year for depreciation, and £3 for interest, costs now over £300 to construct, and £15 a year for depreciation and £18 for interest. In other words, it involves an annual liability of £33 instead of £8 in addition to the increased cost for maintenance and operation.

It will therefore be seen how rapidly the expenses of the Service will increase as new plant is added unless there is a considerable fall in prices and of wages as determined by the cost of living, and it was necessary for the Post Office Committee to take this progressive increase into account in suggesting rates which would suffice up till 1924. In the present abnormal cost conditions it seemed useless to forecast expenditure beyond that date. The prospect appears now to give hopes of an appreciable and permanent fall in the price of materials and in the cost of living and therefore in wages. If this prospect is realized a simple reduction of

rates can be given by way of a percentage reduction of all accounts. In 1924 probably the whole question will have to be reviewed.

Unfortunately, as I have shown, the question of the best method of conducting a public telephone service is at the present time prejudiced by being made a special case of the general question of private enterprise *v.* nationalization, and this condition will probably continue. It would, however, be a good thing if we could consider the telephone question on an independent basis. That a commercial undertaking, if allowed full liberty and with the spur of competition and unrestricted profits, can successfully organize and carry on a telephone service is an undoubted fact, as is shown by the success of the American telephone companies. That a Government Department can do so is also, I believe, true. The fact that the Service in this country is still below the desired standard of efficiency and that service cannot always be given to would-be subscribers is primarily due to conditions under which the Service has had to be worked in the past, whether by the Post Office or National Telephone Company.

The defects of commercial enterprise were shown by the telephone companies working in the 'eighties in this country and the United States. They were protected by patent monopolies and were content to make a high profit on a limited business with a comparatively small capital. In both countries it was only the fear, and afterwards the presence, of competition which increased their efficiency and

made them anxious to occupy the ground by developing the Service to its utmost possible extent.

In this country when the National Telephone Company was made more active and efficient by competition, it was hampered by want of wayleaves on public roads. An Act passed in 1892 gave them statutory rights, but these rights were subject to conditions prescribed by the local road authorities. These authorities were sometimes jealous and obstructive. In Glasgow and London the supporters of projected municipal telephone schemes refused to allow underground wires to be laid, with the final result that the Post Office had to buy costly and unsightly routes of overhead cables and wires of low efficiency, of which many have been scrapped, while others remain to disfigure our streets and hamper the Service.

We have seen the evils brought about towards the end of the company's licence by the restriction of capital expenditure on new plant and the overloading of existing exchanges and wires. The fear of financial loss which led to this policy was probably baseless, but it was a very natural policy for an expiring commercial company when there was no visible profit to be gained from a more speculative line of action.

The Post Office inheriting this overloaded and undeveloped system could not in the short period before the war be expected reasonably to reach its best, or even a high, standard of working, and the difficulties of the war have cancelled most of the advance made since 1912. The huge rise in prices

in recent years and the complete upheaval of the financial basis of the business have greatly increased the difficulty of the situation which can be overcome only by continued and vigorous development of the present telephone organization with the more liberal support of Parliament and the public. Neither a commercial undertaking nor a National Service can give satisfactory results when subject to a policy of alternate encouragement and repression.

In some respects the Telephone Service is the most difficult of all Services for a Government Department. In every minute transaction a subscriber is an active partner and is sensitive to the immediate result. The subscribers of every telephone system in the world are constantly subject to a sense of grievance, and in this country a grievance against a Government Department is much more strongly resented than against a commercial company, and obtains much more public sympathy. A department is the servant of the public—without, however, the right of leaving its situation—and an erring servant must be corrected. A commercial service is on a merely contractual basis. A grievance has possibly a legal remedy, but, if not, it must be borne in patience. Newspaper editors and Members of Parliament are eloquent about the most minute and personal telephone grievance, while the sufferer at the hands of a railway or other commercial company will be left to obtain his own remedy, unaided and unpitied.

On the other hand it is an obvious advantage of

Post Office working that the same engineers can construct and maintain both the telegraph and telephone plant, that wires of both systems may use the same poles and underground pipes and that buildings and staff in country districts may be shared by both services.

But the real reason why a Government telephone system will probably always be retained in this country is that the business must necessarily be a monopoly extending to all parts of the country and protected by law. The world has discovered that competition in telephone business is intolerable as a permanent condition. If you have two competing telephone systems in the same town, subscribers must have duplicate telephones and payments and the disadvantages of an absence of intercommunication. If intercommunication were enforced, division of responsibility and mutual jealousies would make the Service unsatisfactory. With competing services in towns the interconnecting trunk wires would have to be in the hands of an impartial third party, and such an authority must be a State or public department, with further division of control and responsibility and increased complication and cost of working. In the United States at the present time the telephone companies are being subjected more and more to public control. Where two companies exist in a town one is forced to sell its system to the other, and no company may alter its rates except by the authority of a public commission after the most detailed information as to the cost of the Service has been given. The divi-

dends paid to shareholders are rigidly limited in amount and all excess profits must be returned by a reduction in rates. A company under such regulations must gradually lose its chief incentive to increased efficiency, the hope of higher profits, and is encouraged to extravagance in its working costs—as we have found from the operation of our own E.P.D. The faults which a company must develop under these conditions are exactly those which are charged against Government Departments, and if we are to have a protected monopoly of this kind it is better to have one which is directly amenable to public control rather than an emasculated commercial company, which sooner or later would have to be bought out at a high price.

ROUTINE AND THE CIVIL SERVANT

By MILLICENT MURBY, Inspector, Ministry of Health.

THE public objection to the methods summed up under the title of red-tape is so loudly voiced that there can live no Civil Servant so dull as to ignore it. Ours is in one sense at least the Shylock of the professions—in that sufferance is the badge of all our tribe—and though the public, so to speak, spit upon our respectable gaberdine, we bear the contumely with patience and fortitude realizing that they know not what they do. Or rather that they know not what *we* do, and hereon hangs my tale this evening.

We see ourselves so constantly pilloried as costly and extravagant nuisances, that it is a privilege to be permitted to enlarge to some slight extent on that dark side of the moon of service which our critics are so apt to ignore. It will be necessary to dwell on routine from the point of view of the public as well as that of the Civil Servant since the judicial temper of the latter renders a purely personal consideration impossible, and it should be premised that my experience has been acquired in departments of long standing or derived from such, and

that of those established since 1914 I have no experience whatever. On these latter departments, however, you have heard other voices. In addition I may explain that whereas the previous addresses have dealt with the Service as viewed from above, my account will be that of a member of the rank and file with thirty-two years of experience in four departments. Absence from London has prevented me from keeping in touch with some of the scenes of my earlier experience, and conditions may since have been so modified, especially since the recent reorganization, that my description may seem out of drawing. I look to the ensuing discussion for such correction as may be required.

The public that inveighs against us is very largely that section of the population which may manage its own affairs with some degree of efficiency, but does not adequately recognize the amount of support needed for the administration of public business amongst the remainder of our 40,000,000 people, mostly—well, let us be more polite than Carlyle and simply say mostly inexperienced in systematic procedure.

The number of Civil Servants in October amounted to 258,521 men and 99,523 women—a total of 358,044 persons—roughly 1 in every 100 of the population. That this number will perforce be increased (Economy Committees notwithstanding) is certain, and we may yet arrive at a state when the Greek significance will again apply to the term *idiot*—which you may remember is derived from the word *idiōtes*, meaning, according to the dic-

tionaries, " a person in private life as distinguished from one occupying an official position, it being presumed that the highest intellect and education—nay, all the education—would be found in the Government service."

Even now it seems curious that so great a distinction should exist between the person who takes the public savings in the Post Office and the clerk (or may I say without offence the " idiot " ?) who looks after them in the Joint Stock Bank or between the person who collects the tax on your income and the " idiot " who collects the tax on your beer, i.e. the publican. Banking, the drink traffic, insurance, journalism—what large-scale industry you will—all are, of course, essentially public services, though their national character and cost are disguised by their arbitrary not to say chaotic management and their private payment of salaries and dividends. Criticism of the Civil Service proper must bear in mind the criteria of these less centralized services.

Government trading through the Post Office, War Office, Admiralty, etc., Government Finance through the Inland Revenue, Customs and Excise Departments, Governmental regulations for public protection through the Home Office, Ministry of Health, Ministry of Labour, etc., all demand the existence of bureaucrats (i.e. people who exercise power on desks, and thus govern from offices) to whom Parliament, having rough-hewn slabs of legislation, hands over its Acts that they may be fitted to the needs and customs of the people with

as little friction as possible consistent with full effectiveness. Then begins on the part of the despised bureaucrats an amount of careful and considerate study of the public of which the latter appears to be completely oblivious.

The Insurance Acts are a recent illustration of the way in which a Service is or may be publicly adapted. Their inauguration was followed by tremendous criticism of the amount of paper involved in the continuous issue of regulations, statutory orders, forms and circulars, but every single issue could at the time have been shown to be a direct response to a demand on the part of the people or the parties engaged in administering the Acts. As well quarrel with a sculptor for the flying chips in his studio as with bureaucrats for the showers of paper whilst their work, commissioned by the people through Parliament, is taking shape. As the National Health Insurance Act was passed by Parliament, it had to be assumed that the country required it, and that granted, it is doubtful whether a scheme so novel to our people could have been successfully initiated in the absence of the patient and actually *loving* care shown by the bureaucrats in the Insurance Department from the Commissioners and First Secretary downwards. In other departments similar evidence of devotion is no less apparent, as may be illustrated by the Blue books relative to the administration of the Factory Acts, the Trade Boards and the Education Acts to mention no others. So that the common conception of the Civil Servant as a hide-bound official,

conservative in character, inimical to progress, and so enmeshed in the bonds of precedent as to be indifferent to the claims of the living present must be reconsidered. He can and does show himself a patient and sympathetic student of local habits and customs of the most varied type, and at the same time he is sufficiently dynamic to initiate legislation that procedure may be amended or adapted in the light of experience. I incline to think that the series of lectures delivered last year rather tended to underestimate this proved responsiveness of the Service to public needs. The arrows of complaint shot into their area may fall beyond the archers' ken, but the fall is probably not unrecorded, and in fullness of time, when their source has been adequately documented, it will be found that arrows must find their material elsewhere: the particular cause of trouble being removed.

So far from routine procedure hampering response, it actually in the long run facilitates it. Something very much more sympathetic than an archangel is required to administer successfully a Civil Service Department—to wit, a large number of men and women each working in his or her own sphere and each contributing his or her quota of information and opinion to the final result, a contribution involving of necessity for each individual much of the daily repetition work summed up under the term routine. In the absence of such repetition work the conclusions of officials would lack much of the exact data on which their reliability depends. What applies to one department applies to others.

We are dealing with and for our forty million brethren who daily purchase stamps, post letters, postal and money orders, deposit savings, withdraw pensions, pay taxes and licences, use telephones and telegrams, Employment Exchanges, the service of schools, doctors, weights and measures, food and drink, etc., etc., with such a remarkable regularity and to such a remarkable extent that each of these interests has to become the special care of an *ad hoc* department. Each department again is divided into branches according to the different questions with which it is concerned. Within the branch again there may be further subdivisions (according to the volume of work received) which may again be allocated to particular individuals. Officers probably circulate at greater or less intervals through the various branches of their own department and acquire a general knowledge of its work, but owing to the continually changing regulations, etc., the only persons who can at any particular moment speak with authority on the work of a branch are the people actually engaged in it—assuming they have had sufficient experience. The result is that inquiries or classes of work on reaching a department, after initial registration, must be allocated to the branch to which they appear appropriate. The work is then transmitted from hand to hand until it reaches the particular officer or group of officers entrusted with its disposal. So far as mere time is concerned, little is usually lost in the transmission from registry to the responsible official: after this, the idio-

synocrasies and methods of the particular person will probably decide whether his trays are full or empty at the close of each day. In the accounting departments the staffs are usually kept proportionate to the volume of work received, so that the checking and balancing of accounts is cleared daily at about two or three days behind the relative transactions.

To the outsider the division of responsibility within the Service is the main ground of attack. He thinks of the separate departments as taking a narrow view of public requirements and becoming more and more rigid and conservative. As a matter of fact when I look back over the long term of my personal experience I realize how continually subject all departments have been to changing methods and policies. That they appear stagnant, and more the same thing the more they change, is actually due to the ever-recurring and monotonous demands of the public as aforesaid, whose own conservatism underlies and dominates the lives of its servants, as a forest persists under the seasonal changes. With the advent of every fresh head to each department, certain petty modifications are made, but so long as the nation requires its services on an actuarial basis, so long must the weary routine of checking and balancing accounts be continued. One day perhaps we may discover that the spiritual to say nothing of the financial cost of such methods far outweighs any possible saving to the community, and then just as we have freed our highways and bridges from tolls and

ceased to collect pence from school-children, so may we decide to make a clean sweep of whole sections of the fundamental book-keeping on which our national balance-sheet is based. But perhaps that will happen only as our sense of the importance of human life and happiness begins to preponderate over our respect for cash-balances—in which case of course we have a long way to go. Still it's as well to be hopeful—does not modern speculation suggest that there may be kinks even in space?

But even so drastic a sweep as suggested would not dispose of routine as such, and anyhow, at present here we are—with an immense system to run for which as Civil Servants we are not responsible. According to our critics, we have a psychology of our own differing from that obtaining in the business world: we lack a sense of proportion: we have no initiative: we are lethargic and the starving cows die while we lucubrate over the risks of misapplying oil-cake as in the famous case of Jonas Rowbottom.

Some of this is true: some is based merely upon defective instances of qualities excellent in themselves: but most of the peculiar mentality summed up in the term “red-tape” merely implies in the official mind the realization that matters must be considered not in isolation but amidst things related thereto: that more often than not things are other than they seem: that a yes or no answer to a question which is simple only in its grammar is an indiscretion which may have very awkward consequences: and that in fine the point at issue

is not the concern of the person addressed. These realizations are simply the fine flower of an exhaustive experience of human fallibility—our own as well as others—and the hasty condemnation of our critics leaves our withers unwrung. If our sense of proportion appears to be warped, this may be attributed in some measure to the subdivisions of work, but very largely to the actuarial basis on which we exist. To an accountant a miss is as bad as a mile, or a unit wrong in the pence as unpardonable as an error ten places to the left in pounds: the unauthorized expenditure of 1s. is a breach of principle as fatal as a 6-inch nail in a pneumatic tyre. These are cardinal principles of accountancy, and as the smaller the mistake the more easily it lends itself to multiplication, perhaps there's something to be said for them. But many of our critics whilst stigmatizing the Service as constitutionally suffering from red-tape are really up against the necessary limitations of routine. Sometimes, it is true, bad routine appears to be involved—probably due in the last resort to the incompetence of some particular officer—but the charge of *bad* routine is not specifically formulated, and so the whole Service gets tarred with the same brush. But even so, is any big business immune from the same kind of attack?

I have known instances of railways which will carry luggage free for 200 miles accompanied by its owner, when they would charge 5s. to carry it thirty miles for the passenger to pick up later: I remember hearing that the cheapest way to send

goods from Wolverhampton to London was viâ New York, and the inability of British traders to adapt their wares to the varied needs of other markets is proverbial. What indeed is our retention of our heterogeneous measures of weight and distance, or our incomparable coinage, but an affirmation of national inflexibility which finds itself again in the alleged non-resilience of our Service?

Moreover it must be remembered that the bigger and better organized a business is the more open is it to criticism, the larger its exposed front, and the larger the number of its clients and potential critics. Bearing this in mind, the marvel is not the extent of complaints against the Service, but their comparative paucity. Almost we dare to think that our system does not really compare so badly as is maintained with that of the most efficient business concern. Let us therefore for a moment consider what the standard in these works actually amounts to and in what it differs from the Civil Service.

According to the latest ideas of scientific management, a business is the more efficiently managed the more its processes are regularized to a routine approaching the automatic certainty of mechanical action. But for success in such a development the demand on the human factor must not be varied. It's no good asking the man who manages the nut-manufacture in a Ford's works to pass you the spanner: I don't know that he could pass you a nut since his output is theoretically destined to its appropriate screws or bolts and to turn aside

from the chain of production would, I presume, disturb the whole organization. So in a Government Office. A member of the public will call to make an inquiry. It seems to him a simple question, but he is referred from one person to another, only to be advised in the end that an answer will be sent to him by post. "Red-tape again," he thinks with annoyance. But we know that as his inquiry was elucidated it proved to be less simple than he imagined. Adverting to the Ford example, it is simple to ask for a spanner, but the nut-man will pause to say he has none; perhaps John Jones may be able to supply it. Jones is using it and asks how long is it wanted for as he can't spare it "for keeps": better go to the storeroom. Here the inquirer will be asked for credentials and advised that spanners can only be supplied from the works to the wholesale market (in effect that the department regrets it has no funds from which his requirement can be met) and he will be referred to a retail agent. In principle, he can no more get a spanner in an unauthorized way than the public can get a legal decision from a department unqualified to advise. But this limitation of interest which makes for business efficiency is precisely what is condemned in the Service, and it must be emphasized that our critics cannot introduce business methods into the Service and at the same time do away with the red-tape which they decry. Effective routine means "one man one job": red-tape is in the main only the ruddy equivalent of this definition. It is the more desirable that this should be recognized,

since most of the public dread of bureaucracy appears to be based on the idea that it must of necessity be less satisfactory than a system which would be normally introduced by an ordinary business man. Classification of work is essential, and, given similar circumstances, the standards of efficiency are little likely to vary to any material extent. If the public had the same opportunity of contact with the concerns of private traders as with its own public departments, it is practically certain that for one outcry against official red-tape there would be an overwhelming clamour for its introduction into private business. It is perhaps hardly fair to quote the report on the railway administration for 1920 indicating "total number of persons killed from all causes 991—injured 25,933," but is more red-tape or less required there? If the death or injury of 26,000 persons had resulted from departmental routine, we can imagine the outcry. And we only have the details quoted as the result of departmental surveillance which itself has probably been instrumental in reducing the number. Figures from the coal industry would be equally impressive. These two industries cannot of course be regarded as highly organized—there are too many conflicting interests—but they are privately run by shareholders or owners who can generally afford to pay for a good average quality of manager. Whether the lines on which business efficiency at its highest is achieved are the best possible from a psychological standpoint is another matter, one which is taxing the experts

at the present time. Whilst, however, routine may appear as irritating to the ignorant as it appears sometimes boring to the enlightened, the manifold responsibilities of the State necessitate its adoption, and certain advantages are indisputable. It permits the useful employment of a large number of people who under less specialized organization would be regarded as inefficient. Whilst there are many members of the Service who are incapable of good all-round work, they are quite able to make a success of the special class of job to which they are allocated. It would be impossible to fill every post with a highly trained expert competent in all departments—there are not enough to go round. And in a State Service, a nation's need must be met by a nation's capacity—which is only another way of saying that every nation has the Service it deserves. Similar grading obtains in all classes of industry. Agriculture does not discharge a good hedger because his theories on the rotation of crops are unsound any more than the engineering world can dispense with fitters because they are not inventive, or are weak in mathematics. The effect of routine is to average up the capacity of the unskilled worker so that in his own detail he is equal, if not superior, to a worker of more comprehensive intelligence. The process moreover tends to secure honesty and thoroughness of work. Just as drilling renders a certain order of action a habit, a second nature, that will be obeyed in times even of acute crisis, and permits of mass action which is infinitely more potent and effectual than the

aggregate actions of the same number of undrilled individuals—so is routine a mental and moral drill which averages up and co-ordinates the abilities of the rank and file to a certain standard of efficiency. Conscience indeed becomes habitually associated with routine to such an extent that a lapse has the equivalence of a breach of moral law, and it may even be partly due to this secondary effect of routine that we may attribute the extremely high standard of honesty that obtains in the British Civil Service. One great advantage of routine is, paradoxical as it may seem, that it secures liberty for the employee. Whilst limiting the sphere of work, it permits of practical independence within that sphere: it thus at once defines responsibility, and releases higher-grade officials from the need of interference so long as all goes well and conditions are unchanged.

Not only does routine average up the intelligence of officials: it plays an equally important part with the public.

A frequent jibe against the bureaucrat is his love of forms. I confess myself a devotee. The public cries out, "More red-tape." But if it had its myriad communications to read, as we have, and realized its own deficiencies in the matter of expression and supply of relevant details in clear and easily accessible form, it would support the bureaucrat in his effort to reduce the volume of correspondence and save clerical expense by employing wherever possible the printed *questionnaire*.

But why enlarge on the value of routine, since

who can escape it? Is it not to measure that the course of the stars is set, and from the rising of the sun to the going down thereof, the rhythm of the universe—the virtue of going on—pulsates through our daily task with the more success, the more our wills are attuned to our activities.

It is evidently possible to become dithyrambic on this subject in its practical aspect, and before I let myself be carried away it will perhaps be well to consider more intimately the *psychic* effect of routine on the Civil Servant. Let us indicate the metamorphosis he undergoes during his training—a subject the more worthy of our attention since it typifies the changes induced in most human beings whom fate has involved in the machinery of that artful and curious scheme we are pleased to describe as civilization.

In childhood, every fresh hour has its peculiar glamour: each step takes us into a new and fascinating world. The unseen holds undreamed-of wonders, and there is nothing commonplace. School, comrades, lessons, games, all intrigue our awakening senses and capacities, and the pitting of our sensibilities against the myriad attacks of impressions and influences which positively hurtle against us from every direction involves us in a continual play of reception and reaction that completely absorbs our attention. By the time we reach adolescence, certain reactions have become canalized and habitual, so that we no longer examine all impressions but offer the accustomed response without question. Schoolrooms, masters, books

and schoolfellows even at times seem intolerably stale, and one feels the first distaste at getting up in the morning. Excitement is perhaps renewed with examinations, when the very foolscap has its individual quality and the tension of faculty to cope with demands restores the sense of zest in living which mid-term slackness has lost.

Similar experiences obtain in after-life. The first employment is a step beyond a curtain that falls trembling but irrevocably behind one. Now one is up against those strange creatures—the grown-ups—on their own ground, in a world in which one marvels to see them move with such assurance. One wonders whether one will ever share the confidence and certainty of these amazing persons who pursue their way without apparent hesitation amidst a thousand complications. In restaurants and shops it is a never-failing surprise that the attendants take orders and deliver the goods precisely as they would to a genuine adult. One feels a sort of gurgling laughter behind: “They can’t really know I’m so young. How well I must be pretending.” In this new life everything remains a wonder for a very long while. It matters little what the actual employment may be—the inner life is so tense and rich. Juvenile faith in the wisdom of adults is really pathetic: one longs to know exactly what occupies the brains of those clever persons whom one is up against, and the whole strange system of which one forms a part constantly exercises one’s intelligence. At first one accepts—takes on trust much that seems stupid and irk-

some, but the rank-and-file beginner is not long in the Service before the oppressive sense of grades burns into his consciousness and the unfairness of arbitrary barriers appears monstrous and intolerable. With this awakened sense of injustice, his powers of seeing in proportion develop: he no longer accepts blindly the alleged wisdom of his seniors; he attempts to enlarge the circle of personal experience as a basis for the expression of his instinctive judgments. Youth spreads its wings: work if dull becomes secondary: new possibilities allure, and joyous young companions alike thrilling to emotional or intellectual appeals from the teeming humanities around, render every moment rich, no matter how tame or mechanical the daily task. The more mechanical in fact, the higher can the fancy soar, and no time could be more splendid than those early days of drudgery when one was constructing the universe anew on £80 a year.

Such preliminary stages are more or less the normal life of young creatures on the threshold of existence. They step into a world of mystery over which Hope's blue mantle spreads its alluring and protective shade, softening the harsh angles and contours of the present, whilst every onward movement reveals some wonderful new prospect or possibility of relationship with one's fellows, past, present, and to be. Joy is snatched between duties and the pleasant overflow floods the daily round, and only by degrees is it realized from more and more intimate contact what exactly is this

system in which one has been but half-consciously absorbed. The time varies with different individuals and with the variety and satisfaction of their emotional experiences, but to most sooner or later the growing pains come and one becomes impatient of the restrictions and limitations to which juniors are subjected in the Service. Such restiveness is good of course, and no intelligent person would wish to have subordinates lacking initiative and independence of judgment. But it is at this stage that the lower grades of the Civil Service compare badly with many great commercial enterprises. The best business managers are on the look out for keen brains and alertness, and to see in their own interests that these get scope and are placed in positions in which they can function freely and gain in power by the exercise of responsibility. Amongst the rank and file of the Civil Service such selection is too often the exception, partly no doubt due to absence of power amongst those who are in direct contact with the lower grades, and partly also to absence of will to risk dissension by apparently more favoured treatment of certain individuals. The main difficulties are, however, two in number : First, the enormous size and unwieldiness of the Service as a whole, which results in its vertical division into self-contained water-tight compartments within which, normally, promotion is alone possible. In a business of 300,000 employees it is hard to secure the same amount of fluidity as in one with only 3,000 : in the latter, even if many branches are involved, the one general manager

will probably be responsible for the whole oversight, and it would be open to him to, e.g., take a man from the counter and transfer him to the road as travelling agent, with eventually a prospect of partnership. But it is no one's interest to say of any individual Civil Servant in a clerical department, "This man is good, but his practical organizing capacity is wasted on this sort of work : he would be better employed in, say, the Office of Works." And even if it were said, the formalities of transference require an amount of effort and correspondence which is only to be undertaken under exceptional pressure. But indeed the limitations of departmental work are such that special ability in the lower ranks has small chance of expression and as the normal requirements of the grades immediately above require merely average capacity, there is no urgent incentive to heads of departments to make the most of any special ability which they may discern. Besides, few chiefs know anything about departments other than their own, and round pegs in square holes reveal deficiencies rather than qualities—so that people are condemned for faults when all that is wrong with them is their environment, their association with which is purely fortuitous. The deplorable result may be that quite able men and women are kept for years in an unnatural state of tutelage, working not in the light of their own intelligence, but as they may think D may prefer under the influence of C, who will be guided by B or even ultimately A before a disposal of the matter is arrived at. Hours of

futile labour may in the aggregate be spent daily in deciding not what action to take—that is probably simple—but what form of phraseology believed to be A's will pass the barrage of criticism of D, C and B. It is by such futility that departments often fret to the point of nervous collapse the decent human material with which they are staffed. After the two years of probation followed by establishment on the permanent staff, apart from promotions or rare changes of department or merging of staffs (which often cause as much heartburning as they allay) the lower grades progress on slow incremental advances to retirement at 60 or 65 rarely broken by discharge at an earlier date save by physical collapse, or, in the case of women, marriage. As the young Civil Servant awakens to full self-consciousness, it is realized that the stone walls of the department in which he is immured are literally a sarcophagus in which the flesh of numbers of his fellows has actually been devoured for years and years under the relentless grind of the same monotonous duties.

He looks back over the long vista of routine, and forward to similar years for himself with no variety save perhaps, by the death or retirement of seniors, a gradual exaltation to the giddy height of initialling or even perhaps ultimately *signing* the letters then to be worried out by juniors possibly not yet born, or at least playing in their nurseries ignorant of the doom lying in wait. The prospect is appalling. To see the whole of life so clearly mapped out is like planning a walk along one of those wonderful white

roads of Normandy where every kilomètre stands marked by an identical stone, and one realizes the necessity for the abundant churches and shrines (to say nothing of estaminets) that lure the bored pedestrian from the broad way that might otherwise lead him to destruction before he attained his goal. The jog-trot pace, the meticulous care, the statistics, checks and counterchecks, the sheer mass of inevitable calculations daily made and daily renewed in the immense business in which forty million people are customers—all these gradually affect the very fibres of being, till neither heart nor brain escapes their benumbing effect. Thus befalls the lack of initiative of which the Civil Servant is accused. He feels that he is but a cog in the gigantic machine rolling around him on all sides, and it is long before he is promoted to a stage from which his criticism carries weight. By then perhaps the oppression of seeing before and after has somewhat tended to limit his discourse.

My recollections are of women of excellent quality more or less subdued to the daily necessities, but many of them warped to a condition in which kicking against the perpetual pricks was their only safety-valve. A deep sense of wrong was more or less chronic, and there were always sufficient petty grievances to give some ostensible warrant for venting the latent irritation. But indeed the perpetual grumbling of the Civil Servant is proverbial. In a lecture last season, it was said very truly, "None is so healthy and fresh as he who gives freely of his strength." Precisely, but the real fundamental

objection raised by many of the rank and file is that demands are not made *on their strength*—but on a much lower plane, and the normal man or woman suffers under the consciousness of wasted capacity.

I would not suggest that this indictment should be regarded as peculiar to the Civil Service organization. It is probably characteristic of most large-scale systems, and no doubt merely indicates the very elementary stage of our social advance. Our instincts are not yet completely adapted to the tramlines of modern traffic: Pan does not brook restraint, and the call of the wild lurks unsated at the heart of much up-to-date unrest—and may in the end ordain a civilization far transcending the present in beauty, ease, and harmony, and the dignified use of power.

But the second radical difficulty to which I have referred is involved in the very spirit of Civil Service organization. In addition to the vertical division into departments, there is the horizontal division into classes, with the special preserve for the University graduate. This of itself intensifies the grievance of poverty of outlook, whilst upholding continuously before the staff the attractive rewards offered, it is thought, to caste rather than to character. To them that have is certainly given in full measure, and the recent re-organization scheme goes very little way towards meeting the natural aspirations of the rank and file of the Service. Routine, it is true, prevails in all grades, but below the line routine dominates the man, and personal initiative and originality are at a discount: above the line,

these qualities are noted and fostered, a process greatly facilitated by the limited field of competition—and the man dominates the routine. This caste line is not only of the spirit of the Service, it is unique and peculiar to the Service; obtaining, save in India, nowhere else in the Empire. An elementary schoolboy may become Prime Minister or Field-Marshal, and control the destinies of the nation in peace or war: only in quite exceptional circumstances can he become the head of a Civil Service Department. It is felt that as the scales are so heavily weighted in favour of the graduates beforehand there is no reason why they should be still further protected after entering the Service. The cry is, "A fair field and no favour, and let the best man win." Such a free competition in the Service would be of itself a stimulus to all grades alike. And there appears to be small ground for offering special inducements to attract University men. After all, people can only take up the occupations available, and it is not necessarily income that is the deciding factor. In any case talent must spend itself in the nation's service whatever sphere it may select, and the inducements offered by a nation should be open to all its members, not merely to a favoured few.

The existence of the class line does more to keep alive the sense of grievance, especially in the large indoor departments, than any other single factor, and for this reason it cannot be omitted from consideration in any study of the effect of routine on the Civil Servant. Conditions which are common

can be borne cheerfully, whatever they are, if once recognized as inevitable ; but when an alternative exists offering advantages to one class only, the same conditions become intolerable.

It may be asked why in the circumstances the staff remains permanent, as in the main it undoubtedly does. Certainly the present is not an opportune time for the staff to find fault with its conditions when so many people are concerned rather with finding the means of existence than with cavilling over regular and ineluctable demands of order and punctuality. They would be desirous rather that the regularity and hitherto comparative security of the Civil Service might be of universal application. No doubt many of those weary souls who swell the crowds at the Employment Exchanges and watch the officials entering with their air of comfortable assurance would appreciate to the full the etymology of the term *idiot* if they were aware of it ! But the strength of the Service's grip on its members must not be tested in abnormal conditions. The apparent acquiescence (in spite of protest) is due to many factors. A fairly large class of people really enjoy the comparative placidity of the sort of life available to Civil Servants in some departments. They like the regular train (not too early), the daily contact with colleagues, the leisurely consideration of files, just sufficient to entertain the intelligence without unduly straining it—the cheerful luncheon-party—the return home in the evening to an easy leisure unpursued by the haunting worries that beset the man whose future comfort

entirely depends on the movement of the Exchanges in the next few hours. These may be quite capable people ready to respond to every official demand, and thoroughly endorsing the official policy that would keep its servants unspotted from the political world. They are quietists, absolutely comfortable in the grooves along which life runs so smoothly with its well-oiled wheels. In addition, as in every concern, there is a proportion of easy-going folk who are just capable of getting through a day's work without being discredited to the point of dismissal. To this type of person the routine system is a bed of clover: he does what is required—no less, but certainly no more: he is without incentive to improve: in fact all unconsciously and directly encouraged by the system, he exercises a species of industrial sabotage which contributes somewhat to the low esteem in which the Service is held. This type also is happy: it ambles through its bread-and-butter earning and finds perhaps its adequate expansion in off-duty hours amongst its roses or romances, its knitting or novels, or its cards or cricket. Apart from these easy-going members, there are many whose health, personal responsibilities, or family cares make it impossible for them to risk abandoning a safe if stagnant haven for the storms and stress of the uncharted sea. Many again remain because of expectations that are balked—anticipations that came to naught: and then, after ten years, hostages have been given to fortune—they have established a title to deferred pay which they are loth to abandon. When one

enters the Service one does not only take up a career : one takes out an insurance policy, for which each day's labour counts as a premium, and one must have great faith in oneself, or great recklessness, to forgo the fruit of these payments.

Moreover a very important consideration is that experience as a Civil Servant is not normally readily marketable elsewhere. In most other professions, technique is mobile. But the official at home in the ramification of particular Acts of Parliament or skilled in departmental accounting has to start again if he is turned on to the world : like the Selenites described by Mr. Wells (in the *First Men in the Moon*) his growth has been specially adapted to function. In such professions as literature or science, carpentry or engineering, a man may quit any berth knowing that his capacity will accompany him anywhere in the wide world and he can either take up a fresh job or return to his former work unimpaired. The world is his golf course, and he is free to dispose of his ability and vary his strokes at will as he wanders to any of the fascinating holes of its alluring round. But the Civil Servant—I speak especially of the Lower Division—is like a ball bunkered at the outset. He may be struck at various angles by a variety of clubs that may move him a bit farther up or down amongst the brambles in which his miserable lot is cast—but when at length he does find a hole, the chances are that it will measure 6 ft. by 2 ft., and that he will not get up again.

And yet so strangely are we constituted, of such

fine metal man is made, that not even his grumblings and genuine grievances can seriously affect the quality of his public service. Unkind critics may attribute part to inertia, and they may be right : but I think it is more than that. I have known hundreds of Civil Servants, both men and women, and I can testify that the majority bring a sense of public responsibility to their daily work which is the main support of their self-respect under the slings and arrows of outrageous fortune. They will stand by their job—even if their merits are unrewarded : there is a strong sense that the final court of appeal is to the public—the people by whom and for whom they live, move and have their being, and the dicta of the authorities of the day is, as Nietzsche would phrase it, that which must be surpassed. To that end at least they work without ceasing.

To us who are in the State Machine, the public dread of increased bureaucracy seems very curious. We know that great as is the love of fine work amongst craftsmen, so equally is ours : that the routine and terms of service, the graded equality of salary—the recognized hierarchy of authority and responsibility—permit of a cool, even-handed administration informed by that sense of justice tempered by generosity which we were wont to regard as the peculiar heritage of the British. Civil Servants have no axe to grind : their scope is bounded on all sides by Acts of Parliament, but they are faithful to their lights within their prescribed range of vision.

I have permitted myself to enlarge on the merits of the Service because of my knowledge of the very excellent quality of devotion of which only inside experience can speak—but I do not wish that to be the last note in remarks which have as their subject the routine under which we live—as if since the spirit survives the system were immaterial.

The view taken of the conditions of the rank and file is necessarily based on the individual answer to “what is the purpose of existence?” Is life to be conceived as always merely a transmission of the torch and never as an enjoyment of its flaming beauty? Are we to regard the human race simply as contributory in the same way as coral insects and sponges—i.e. as assisting in the formation of structures in which no individual quality appears to survive in the cellular addition made by each little life. If every human being is to regard himself solely as contributory to that social structure with which circumstances identify him before his choice is fully matured, then the restriction of function may be defended, no matter what the cost to the individual. But we know that whatever creed may be officially held desirable for subordinates, that is not the creed on which the world is or ever will be run. There is a waywardness in human faculty which hath in it the very germ and prepotency of all that is most lovely in this most lovely life: in the course of human evolution, the wings of physical flight were not for ever folded, but only sublimated to become manifest anew in the restless stirrings of the spirit. So in restrictions imposed too early

and continued too long we are conscious that we lose our birthright and we never shall rest nor from travail be free until our wills have wider scope. "Then shall we be kept no longer dancing within little rings like persons bewitched, but our range and circuit will be," if not, as Lord Bacon said, "as wide as the compass of the world," at least wide enough for a secure basis leaving our centre of gravity in repose. The chief administrative, as indeed the chief moral problem, is the due allowance for both altruistic and egoistic considerations. But if the country wants life and energy and active intelligence in its Service, it can only secure these qualities in the lower grades as it does in the upper grades by offering adequate return not merely in money, important as that is, but by giving them scope with responsibility and a measure of freedom. It may be urged that some one must perform the elementary routine duties at the base of organization. These, as I have indicated, are a fair field for the young whose interest does not begin or end with work, and for whom they afford excellent training, or for those older in years who are without ambition, and are content with a minimum return for minimum personal expenditure. Others should either be transferred to departments more suited to them or suffered to depart with at least the surrender value of the policy aforesaid.

In addition I would suggest two possibilities of spiritual expansion which should at least be opened up to all rank and file Civil Servants. In the first place I would urge that if the man as

citizen devotes his working hours to the public service, he should not thereby find himself debarred from full political expression. Every other member of the community of prescribed age, regardless of intelligence or sense of social responsibility, has not merely the right to vote but the right to advocate his convictions: but the Civil Servant—i.e. that class of person on whom a test of intelligence is specially imposed—is pledged to silence. As the proportion of Civil Servants increases, there is little doubt that the serious loss to the nation from the restrictions imposed on so important a section of its intelligentsia will be increasingly realized: such wisdom and understanding as it may possess need rather stimulus than repression in these critical days, when such qualities are not conspicuously in excess—to say the least. To the rank and file who are in the main anonymous so far as the public is concerned, the mere fact that they are Civil Servants is surely one of small public importance. Were there the most ardent Sinn Feiner in the S.B.D. he would be no more likely to undercast an Ulsterman's account than that of his own comrade from County Cork. So far as the Civil Servants in the Higher Executive or Administrative grades are concerned, who have personal relations with the public (especially in the provinces), there is perhaps some reason for political caution and restraint. But they are a small minority. I was glad to read the words of Sir Robert Morant that this question was one for "really useful discussion at meetings of this kind," and I should be loth to endorse whole-

heartedly Mr. Lee's theory that the psychology of the Civil Servant must be a great surrender. He will forgive me for saying that such a theory reminds me of the unselfish wife and mother who by such a doctrine encourages a preposterous and degrading tyranny in her husband and children. The surrender may be a regrettable necessity for certain individuals in certain circumstances, but that all Civil Servants should be purely passive indifferentists amongst divergent policies seems open to question. That with greater freedom the whole of the Service would assume such a strong political colouring that it must be changed with each fresh administration seems to me a mere bogey—diversity of opinion being so widespread.

The expansion of interest in the field of public responsibility is a normal and surely a desirable counterweight to the suppression of personality under routine. It is a means of escape from the present to the realms of hope: it affords scope for the sublimation of personal grievance into generous social aspirations: it gives in short that natural opportunity for the play of altruism which I suggested above was at least half of the problem of administration within the Service. But there will still remain limitations on the career of the rank-and-file Civil Servant which some at least will continue to find irksome. How small, for example, is his prospect of becoming acquainted with the surface of this delectable globe! He finds himself tied hand and foot—by hand owing to the exiguous salary, and by foot through the tether of time.

With his brief annual leave, of what use to travel to—say, at the outside—the East Indies or Vancouver, if he must catch the next boat back? This limitation occurs only if he is healthy enough to find such a journey enjoyable: if he is sufficiently diseased, he has not the slightest difficulty in securing enough leave to circumnavigate the globe with ample leisure. I would urge that the service of the future must make concessions to its healthy members at least as generous as those allowed to the sick. In some American colleges, a Sabbatical year is allowed to members of the Staff to enable them to travel and obtain mental stimulus by foreign study and contacts. Similar good results would no doubt be achieved in the Civil Service if after ten or fifteen years' service, long leave were sanctioned for such a purpose. The prospect of this Sabbatical escape would keep alive vision for many whose days are sunned only through prison bars. It would of itself no doubt reduce the tendency to physical and nervous breakdowns, but even apart from that probable economy, the cost might be defrayed for a considerable period from that deferred pay of Civil Servants who do not live to claim it. But be this as it may, when we take into consideration the basic facts of existence—the tiny Earth, the brief span of physical life—it seems little short of barbarism that we should be employed under a system which from the age of 16 to 60 holds us chained like galley slaves to the oar without a chance of seeing anything of the world beyond the radius of a few hundred

miles. Even the aeroplane as yet brings us no release.

“For to admire and for to see,
For to be’old this world so wide,
It never done me yet no good,
But I can’t stop it if I tried,”

as one of Kipling’s heroes sings, expressing a thirst probably in the very blood of our people.

These dark days of distressful economy are not appropriate for more than a reference to this important consideration: the freedom of the world has to be earned again before it can be enjoyed. Nevertheless, we owe it to ourselves, if only to excuse our limitations, that we should draw attention to the restrictions imposed on us. And if it be urged that such restrictions are common to the majority, and that the Civil Servant has no right to expect more than the average business man, we may point out that the latter has at least more control and power of direction of his own career, and the ups and downs which result from various experiments are themselves of stimulating character. An old London bus-driver once told me when I was commiserating his horses on the long pull up Haverstock Hill that they lasted longer when working on a hilly road than when on the level. Human beings are much the same. “It’s the ’ammer, ’ammer, ’ammer on the ’ard ’igh roads” that does for us. If it is desired that we should be bright, alert and responsive, we must not be kept in the rut. Whilst routine will be retained, the individuals dealing

with it must be kept in fairly regular movement. Ten years in any department on elementary routine work is more than enough for anyone. The placing of a surrender-value upon pension rights would lessen the inducement to remain in the Service, thus facilitating change of personnel and encouraging influx of fresh blood.

To sum up: whilst for the proper and efficient discharge of public business routine procedure is essential, I regard it as imperative that the men and women associated with public machinery must not be unduly subordinated thereto. In each department, even at the present time, efforts are made periodically to circulate staffs through different branches—but the scope of most departments is inadequate to give the change required. The Treasury Pool is a cumbrous bit of machinery, involving the consideration of papers and reports and written recommendations of heads of departments, with a final brief interview of a few selected candidates for transference, in which frequently the inspiration to question fails the Selection Committee, and very little of the real quality of a person seen under such unnatural conditions can appear. Some much more flexible method is required, but the limits of this paper forbid further enlargement on this possibility.

Means should, however, be taken to secure change not merely of work but of personal environment. However attached one may get to old friends, they are not always the best permanent companions. One "settles down": it is known what one can

do, and there is no inclination to surprise by fresh efforts either oneself or anyone else. The mid-term slackness of one's youth becomes the laxity of middle age, and at the first onset it is time for new departures and fresh contacts.

" Then welcome each rebuff that turns earth's smoothness rough.

Each sting that bids nor sit nor stand—but go ! "

Browning's lines contain some thoroughly sound philosophy : if we want to keep fresh we must be continually going on voyages of exploration in which we carry the eyes of youth both to the new spheres, and to our new selves evoked therein. There lies the America still beyond the light of setting suns : there lies the field of inspiration of each one—who has but that humble warrant of the new life to regard himself as a creative artist. As Bergson said, we are dogged by inertia—and nothing is easier nor more fatal than to succumb too readily to its insidious approaches, especially when plausibly disguised as efficiency in public service.

WOMEN AS ADMINISTRATORS

By CONSTANCE SMITH, H.M. Senior Lady Inspector
of Factories.

WHEN I accepted the title which your Committee proposed for this address, I did so with the private reservation that I should be allowed to treat "Administrator" in the broadest sense. I do not propose this evening to discuss with you the question merely of women in Government departments. I look upon administration as covering a wider field than that, although it seems probable that that particular corner, that highest part, it may be, of the field, will only be occupied by women at the end of a progress which has led them over every other part of it. This, I think, is not unnatural. Before you take the citadel of a fortress, you have to possess yourself of the outworks; and women for some generations past now have been gradually entering the outworks, and they have been given little by little, not always, perhaps, very willingly, the opportunity of showing whether they are worthy, whether they are fit, to take up their place inside the citadel. In a great number of the professions and occupations which women have entered during the last half-century, a great deal of the work, if we look at it

closely and fairly, will be seen to be administrative work, and much of that work is becoming increasingly administrative with the passing of years. For instance, medicine. Now we all know the history of the entrance of the woman doctor into social life. It was not an easy entrance. It was won at the cost of a good deal of personal obloquy and misunderstanding. Prejudices had to be overcome, both on the part of the medical profession and the public at large. But in later years—and I am speaking now of the period before the war, because the war period was quite exceptional and stands by itself—but in the period before the war, the medical work of women was increasingly becoming a work for the public service. It was being recognized that medical women could fill and did fill most satisfactorily many of the new public appointments in medicine which were being created, which the development of the social conscience was causing to be created. Then there was in addition a movement towards the admission of women to the practice of the law, which had not fully gathered momentum until the impulse of that which happened during the war came to quicken it, but which was already largely at work, and showed that before very long at least there would be another field open to women involving their engagement, not only in private practice, but obviously in public service also. It is not necessary to elaborate the truth that teaching is essentially a public service, perhaps in some ways the highest of all public services; and women have taken their place in that, not only as head teachers of schools,

Elementary and Secondary, but also as heads of Colleges and directors of studies in Universities, and they are coming forward more and more as leaders in educational thought and in educational practice.

Most of our Institutional work, hardly recognized perhaps as administrative, was being run and had been run for many years by women. I can imagine no post which is more rightly to be described as the post of an administrator than that of the matron of a great hospital. She has to bring to her work the qualities and the character which make up an administrator. If she does not bring these qualities and that character, she is bound to be a failure. And that so many matrons of hospitals and women heads of institutions have been a conspicuous success shows, I think, that they have been in the past carefully chosen for those administrative qualities which they have shown during their passage through the lower degrees of power and work.

Social work again ; that developed with rapid strides in many directions, especially during the first dozen years of the present century, and it was recognized that not only in the work of investigating social conditions (which might be considered to be work done rather under instruction than on personal initiative) but also in consideration of the conclusions to be drawn from evidence of social conditions, and in the framing of a policy which could be recommended to Governments for dealing with and ameliorating these social conditions, women had their special place, and their point of view and their experience were absolutely necessary. As we know,

to take one example, women found seats on the Royal Commission on the Poor Law, and their opinion and their views, drawn from the very searching and far-reaching investigations which were undertaken for that Commission, played a very large part both in the Majority and Minority reports.

To take another example. All the public work of women in relation to municipal institutions was also being rapidly developed, and there again, as social institutions grew, and as new social institutions were founded, it was becoming increasingly the practice to associate women with their administration. This was natural, because these new social institutions were in many respects touching the whole of domestic life and private life. They were concerned with the family, with the hygiene of the home, with the education of children and young persons, and with the increasing employment of women, not only in the professions and in occupations which had been regarded as exclusively feminine for a long time, but also in all manner of industrial work. If I may be allowed to touch for one moment on the work of which I have most personal knowledge, I would say that the work of the Factory Department in the Home Office has seen during the past twenty years an immense development in the administrative direction. More and more, as was, I think, very forcibly expressed in the report put out by the Ministry of Reconstruction, more and more that work has ceased to be, or is ceasing to be that of pure policing and enforcing of statutes, and is becoming an advisory work, a work

which requires the highest discretion and power of initiative on the part of those who carry it out, whether they be men or whether they be women. The work of that department was, in the early days, largely a negative one, and its dictum was, "Thou shalt not!" Its work now is becoming much more constructive, and it says instead, "Thou shalt." Prohibition is passing into the background; counsel and inspiration are taking its place, and in the self-determining factory of the future, more and more will these qualities of counsel and inspiration be needed.

The war period necessarily opened new doors. I have chosen the word "necessarily" deliberately, because the doors were opened in many cases to women because there were no longer men to fill the places, and the women got then an opportunity to show what they could do, which no normal period of that length—from four to five years—could possibly have given. The medical woman, who was just beginning to have the opportunity of public service in the school and hospital, was speedily placed at the head of great surgical and nursing institutions which had to be carried on, not in the normal conditions of peace, when every manner of help and assistance is at hand, but in desolate countries over-run by enemies, where the struggle with disease amid terrible and terrifying conditions was often lacking in all, or nearly all the necessities, as we consider them, of medical and surgical science. The opportunity was, as you know, and as everybody admits, not only nobly but efficiently taken, and there

can be for that particular profession no going back from the position which, by their own hard work in the face of difficulties, the war conditions enabled them to attain. This is only one, though perhaps the most striking example of the opportunities which the war gave to women in an administrative sphere ; as you know, there were many others. Departments were being organized, departments in which the rank and file of the women were asked to do work which had never been asked of women before—that is to say, under such conditions. They had to be officered by women, and organized by women, and the whole of their work and activities administered by women—all this at a moment's notice, so to speak, under pressure of circumstances, and therefore in the face of far greater difficulties than ordinary times could have produced. I do not think we need dwell on how the work was done, because we see its result in what has happened since the Armistice was signed, and we turned to the era of what has been called reconstruction.

It is clear, then, that objections which had bulked very large in the past had melted away in the warmth of the recognition of women's work during the war, that, in fact, they had been tried, and, on the whole, not found wanting. Since then, recognition and admission to spheres of a wider activity have followed so quickly one upon another that perhaps we hardly realize how far we have gone in what is really less than a couple of years. It is often so in the case of a very great or remarkable achievement. It is only when one stands aside and com-

pels oneself to look back upon the road travelled that one realizes how swift the pace has been. I remember now, looking back to the first meeting of the International Labour Conference at Washington, which was naturally so full of interest and even of excitement to all of us who took part in it, that, while the work was being done, in committees in the morning and conferences in the afternoon, and endless consultation with delegates in the afternoon and evening, one scarcely paused to realize the miracle of it. It is only now, in a quiet moment, that one realizes how great a thing it was. And in the same way, our women's activities have gone on developing from day to day, and from week to week, and it is only at a resting-point in the road that we realize how great they have been. We have now at any rate happily one woman in Parliament. We have throughout the country women magistrates on the Bench. We have the hospitals appointing women to posts which hitherto were closed to them. We have women chartered accountants. Where there are new developments in administrative policy, national and international, it is taken as a matter of course that women are to take part in the elaboration and execution of these efforts. There is nothing more remarkable or more significant of the new era than that in Paris, when the Covenant of the League of Nations was framed, it was expressly so framed that either men or women might be elected to the Assembly of the League of Nations. There is at this moment, I am informed, one woman delegate in the assembly at present sitting in Geneva, and in

her case I feel quite sure that the one swallow does mean a summer of swallows to follow. In the International Labour Conference not only was provision for the presence of women made in the permanent organization of the International Labour Office, and the door left open for sending them as delegates to the yearly conferences, but express arrangements were made, and express provisions laid down in Part 13 of the Peace Treaty that women advisers should accompany the delegates, and that where women's questions were discussed, the woman adviser might and should be put forward by the man delegate, if it were a man delegate, to take her part in the discussion. As a matter of fact, that was done, and every Government of the forty-one which sent delegates to Washington, every Government except a few of the South American republics, had their women Government advisers, and all the workers' organizations had their women advisers; so that in that first meeting to decide on labour laws for the world, women had their part; for the delegates played exceedingly fair, and when women's questions came up, whether it was the Government or the labour delegates who were in question, they made a point of bringing forward their women advisers, not merely to take part in discussion, but also to address the conference, and to give the women's point of view. The main committee in which such questions were discussed, and in which two conventions were actually framed for the acceptance of the conference, consisted of practically an equal number of men and women, the men, I think, slightly pre-

ponderating, and a woman was elected by that committee to the chair. Again—I refer to this because it is an example of the strides which women are making in administration in other countries—we had at Washington a number of women Members of Parliament and women municipal councillors, a very striking proof of the way in which, in other countries, the woman is being brought into administration. It is to be remarked that this tendency is growing not only in new States, such as Czechoslovakia and Poland, which might be supposed to have a liking for novelty, or a willingness to experiment which could not be expected of old countries, but also in the reformed Germany. I understand there are now in the Reichstag about thirty-three women members, and the remarkable thing is that there are women members in all the parties. It is not only the Majority Socialists, or the Independent Socialists, or even the group which corresponds more or less with the Liberals in this country, but the Clerical Centre also have women sitting in their ranks, and so have the Conservatives and the German People's Party. This is weighty evidence of faith in women's capacity for reconstruction. Even where the reconstruction is so difficult that it might easily appal the most trained administrators, as in the case of the German Empire in its present condition, confidence has been felt that women can take their part, are fit to take their part, and that their presence in this rebuilding of desolation is needed.

I suppose that where this question is controversial, it is controversial chiefly in regard to the higher

administrative posts. It has been proved, even in this country, where we have moved slowly as a whole, that women can do excellent work in the lower or less responsible branches of administration. The tendency, as far as we can see it historically, is to admit women to the lower branches of activity in administration, and to the highest of all, without question. There seems to have been no doubt in the minds of historians that those who ruled as Queens—not necessarily as constitutional monarchs—did their job on the whole remarkably well. We might go a long way back in history for examples of this kind, and although you will remind me that these famous Queens and judges—Deborah, for instance, or Elizabeth—had very valuable assistance as rulers: that Deborah would have been nowhere if she had not had Barak for a general, and that Elizabeth might have made many and great errors if she had not had the counsel of the wise Burleigh, and men of action outside and inside the country like Drake and Howard and Raleigh to do her service, yet surely it is the mark, is it not, of the greatest administrator to know how to choose his servants and advisers wisely? In the present century, one has seen two or three remarkable examples of men rulers who have stood or fallen by the possession or the lack of that capacity. Victor Emmanuel II of Italy was not, I suppose, a man of transcendent genius, but he understood the greatness of Cavour and the unity of Italy resulted from that understanding. The first German Emperor of our time, William I, had no pretensions to genius, but

he knew how to surround himself with men of genius, and he triumphed where his grandson, who desired to do everything himself, and did not know how to choose his counsellors, lamentably and deplorably failed. So that this particular quality in a woman ruler I think may be taken as standing to her credit.

Now the woman administrator of the future is a very important person, and we ought to consider how she is to be made a capable administrator, for I take it that the ordinary successful administrator is rather made than born. Certain qualities he must have no doubt, but he requires training and testing and practice in order that these qualities may be exercised. Nowadays the higher education of men and women in schools and Universities is pretty much on a level. There are no longer barriers which prevent a woman from taking the highest University training; that door, it is in point to remark, has been open to her for some time, although not until lately has she been generally permitted to put on the official label after she has passed the test. But the actual training has been given her. Is there any reason, therefore, why the training of women for the public service should be differentiated in any way from that of men? On the one hand, unless you give the woman the same training, you can never find out how much public use she might be to you; and on the other, if you decide beforehand that she is to enter for the service on different terms, through a different gate, by a different test, you make it impossible to compare her work rightly and fairly

with the work of her men colleagues. You are in the unhappy position of those who have tried to get comparable international statistics. It is a thing which many statisticians have attempted, and in which they have necessarily failed, because comparable statistics did not exist ; and in this case we want comparable statistics. Before we pass judgment we must have them ; and I would like to say at this point that women—I think I may speak for women in general—invite an equal test. They do not ask that they shall be spared any part of it, and they are prepared to abide by the result. The days when one asked, or when some people at any rate asked, that women should be placed on this committee or that council simply *qua* women—that there should be a woman there, whether that woman was particularly fitted by her capacity or by her training for the part are past, and I think happily past. What we want now for the public service everywhere is the competent person, whether it be a competent man or whether it be a competent woman ; and we can only find this out by submitting men and women to the same tests and passing them through the same training.

I ought, I think, to touch for a moment on certain objections, theoretical, or it may be arising out of practical observation, on the objections to women as administrators, taking “ administrator ” here more in the technical sense than I have been using it hitherto. First of all, there is the objection that women are untried in administrative work, that is, of the higher kind. Well, that is a reason, is it not,

for seeing whether they can do it or not ; otherwise, you are condemning them untried. But there are more specific objections. It is said they are unfitted temperamentally for such work, because they have not the power of rapid decision. That strikes me as a very singular objection. Let us leave the professional woman, let us leave the public servant, altogether out of the question. Any woman who conducts a household has to be making rapid decisions all day long ; in fact, if any doubt is to be raised, one would expect the objector to object that women might arrive at too rapid decisions. Nevertheless, this is a very popular objection. Another objection is that they dislike responsibility. I believe they only dislike responsibility when they are asked to assume a responsibility for which they have not been trained, and then, in my judgment, they do so very rightly. Again, that they are inclined to put feeling before reason. Does not every human being put feeling before reason—occasionally ? In my studies of the public Press—which I believe is for the most part written by men—I see a good deal on the masculine side of this putting feeling before reason. It is also said that their sense of proportion is faulty. I suppose that means that they are too much inclined to concentrate on details, and not sufficiently to follow broad lines. I think where this is true the responsibility lies with those who have made them deal only with details. Until you are allowed to experiment in policy, until you are allowed, at any rate, to consider policy along with others, if your work is purely of a detailed

kind, the mind will naturally concentrate itself on details, and your eye may become too microscopic. Finally, that they lack appreciation of evidence. That again, I think, is a universal fault. Personally I should like to see an extra course in every school and college which would teach all children and young persons what the nature of evidence is, so that they may be able to appreciate it.

The woman administrator is not a passing phenomenon. We must look for her not merely in our own country, but in all civilized countries. She is going to be a part of future national government, and therefore it is incumbent on us to see that she is fitted to play that part. (Even the Government of Japan sent a woman adviser to Washington, which I think is pretty significant.) I think it will be to the good of the social commonwealth that she should be a part of the future Government. Men and women will gain by working together. I say this, not because I believe that men and women are exactly alike, or have the same qualities and capacities, but that the work of each is complementary to the work of the other, and the woman's point of view, women constituting half the human race, will add to the value of the man's point of view. Further, I think there can be an exchange of values. The man will bring his accumulated experience of generations in public work. The woman will be able to bring, on her side, freshness of outlook, a looking at things from a new standpoint, which may help in this tangled and sorrowful time. Also the fact that women in the past have been less bound by

conventional party political views should enable them to look straight at the questions which are before them. They are less entangled in traditions and special loyalties, and they can consider the fact on its merits. I am quite aware that women will, for some time to come, be judged in their public work by a rather higher standard than that by which the average man is judged, and I do not think, on the whole, that that is at all bad for women. It may not be quite fair or logical, but in Great Britain we are never logical. I believe, moreover, that women are prepared at any rate to attempt the very highest standard of achievement, and will not at all resent it being held up to them. They wish to take their part in public life, in public work, in the betterment of the world, and in order to do that, they want to be trained and fitted for their task, and then to be chosen according to their capacity, not on the ground that a woman is wanted, but that the best woman is wanted.

The ideals of an administrator, I take it, are three. He or she should have knowledge, should have informed himself of the subjects which he has to treat, which are all subjects affecting human life, as profoundly and as completely as he can. He should have understanding. He should remember that the counters with which he plays are human lives, human conditions, the future of his race and nation. He should have a passion for justice—the most difficult thing in the world to attain. Perhaps one agrees in these days more than ever with George Eliot that Justice is like the Kingdom of God ; “ it

is not without us, as a fact ; it is within us, as a great yearning." But I believe the yearning to be as strong in women as in men. If their minds are rightly taught and trained, they will be as fully prepared to bring to the subjects they have to study and the administrative work they have to do, the one rule and the one measure which the righteous administrator should bring to them, and which are as necessary in the head teacher of a village school as in the head of a great Government department.

The appeal of women, then, is a very simple one with regard to administration. They ask that they may be subjected to the same tests and trials as their men colleagues. They ask this as citizens, and then, if they pass the tests, that they may be permitted to give to the State the full measure of service of which they have been proved capable.

THE FRENCH CIVIL SERVICE

REPORT OF THE DELEGATION FROM THE SOCIETY OF CIVIL SERVANTS.¹

BEFORE dealing in detail with the several Ministries, perhaps we may be allowed to express our views as to the general impression which we received from our visits and discussions with the French officials. In the first place we realized that the State played an infinitely larger part in the administration of the country than in Great Britain, interesting itself to a much greater degree than in this country in local and municipal affairs. The administration too appeared to be over-centralized, as evidenced by the profusion of offices held direct from the State. There is no parish or hamlet in France which does not contain a certain number of holders of places of profit under the Government. Yet the position of the most important permanent officials is less conspicuous in France than here, the reason being that there is no appointment exactly corresponding

¹ The visit of the delegation to Paris for the purpose of the comparative study of administrative practice took place in 1920, and was the first of a series of similar visits arranged by the Society of Civil Servants. The staff of the French Civil Service met the delegation with the utmost cordiality, and showed the greatest interest in the object of the visit, which it is hoped will be reciprocated.

to that of Permanent Under-Secretary. The position of the *Chef du Cabinet* or principal Private Secretary is, however, of greater importance than the corresponding post here, and, if the Minister remained in office for a considerable time, would approximate to that of an Under-Secretary of State. As, however, the tenure of office of the political chiefs is, generally speaking, much shorter than in this country, the principal permanent officials are in effect the Directors, of which there are several in each Ministry directly responsible to the Minister and each controlling a separate branch of the office. Moreover while the Cabinet is collectively responsible for the general policy of the Government, the Ministers are individually responsible to a greater degree than in this country for all acts done in connexion with their own departments. As a result we rather gathered that the several departments worked much more independently of each other than here, and that this applied to a large extent even to the several directorates of the same department except for such co-ordination as is effected by the Minister. Further, in consequence of the lack of a permanent co-ordinating authority, methods are more subject to change with change of Ministry than in this country.

At the same time the grouping of administrative work under the various Ministries appeared to be much more scientific than with us. There is no such anomaly as a Ministry dealing with such diverse matters as fisheries, agriculture, and, till quite recently in this country, with ordnance survey. On

the other hand State control appeared to usurp to a large degree the place of commercial enterprise, as for example in the case of the Public Works Department, which is responsible for the management of all the harbours in France, whereas in this country they are left to private enterprise, which, however, has to conform with certain requirements of the Board of Trade. Much as we have complained here of the increased governmental control set up during the war, it was evident that France normally experienced such control to a much greater degree than we did and almost uncomplainingly. Moreover their boldest practical conceptions of reform leave the centralized system untouched from a British point of view. Their lack of interest in the important local governing bodies they possess indicates that autonomic institutions do not suit them, the majority preferring to depend on the centralized system which conforms to their wants and ideas, provokes no real popular opposition, and is approved by almost all eminent non-political Frenchmen. Too much paternal control cannot, however, be healthy and must have a deadening effect on private enterprise. This probably accounts for the lack of advance in many directions and notably in regard to the use of cheques. The picture which a Treasury official drew of the tax-payers lining up in a queue cash in hand to pay their taxes appeared in our eyes somewhat novel.

In pursuing our inquiries, we were naturally much concerned with the conditions of service of our French colleagues. It is obvious that in a short

visit one could gather only general impressions. The Service appears to be divided much on the lines suggested by the Playfair Commission, viz. into two distinct classes differently recruited and with little opportunity of promotion from the lower to the upper. The *directeur* is assisted by one or more *sous-directeurs*, the next grade being the *chef de bureau* with the corresponding *sous-chefs*, under whom are the *rédacteurs* doing the general work of the department, with a number of subordinate grades for purely routine work. The higher ranks are recruited from the *rédacteurs* by selection except for a few special grades, e.g. *Inspecteurs des Finances*, who are chosen by competitive examination. The *rédacteurs* themselves are so recruited from graduates of the *lycées* and appear to correspond to something between our Second Division and Intermediate grades. Clerks of five years' service in the particular office may compete at the examination for *rédacteurs* up to any age and are not required to have graduated. The subordinate grades also enter by limited competition, a large proportion of the posts, and in some cases all, being reserved for non-commissioned officers of the Forces, with at present special facilities for disabled men. The general control of the examinations is in the hands of the Minister of Finance, but the examinations themselves which are distinct for each department are conducted by Departmental Commissions. Moreover, although the general conditions for the grade of *rédacteur* are the same in all departments, in most cases special qualifications are required

varying with the nature of the work, e.g. in the Ministry of Justice it is necessary for all candidates to have graduated in law. This is a distinct departure from the British system, where the entrance examination for Treasury classes is designed as a test of general and not special education.

With Whitleyism so much to the fore in this country, and the consequent marshalling of the Service into associations, we were naturally interested to hear whether anything of the kind was happening in France. We learnt that the French Civil Servant had not yet organized to the same extent as the British, the societies then in existence being departmental rather than interdepartmental. In point of fact, an effort was being made by the Government to prohibit by legislation the formation of societies similar to our own covering the various Ministries, which it was feared might lead to the Service organizing into a confederation. The danger was obvious. So numerous are the servants of the State, and the varied powers exercised by them so wide, that effective combination would enable them to dictate the policy of the Government, or to place in power any party favourable to themselves. There is, however, a method of ventilating grievances which some might prefer to action through a society. A Civil Servant has the right of appeal in cases where he supposes that he is being unjustly treated. His case is heard by a committee of discipline composed of *directeurs* and *sous-directeurs* of the various departments of the Ministry and, if he so desire,

he may be assisted in the presentation of his case by a lawyer.

In view of the differing circumstances little would be gained by a comparison of salaries and war bonuses, but it may, without any doubt, be said that in regard to such matters the French Civil Servant has not yet attained to anything like the standard of his British confrère. With these few general remarks on points which struck us as being interesting to our fellow Civil Servants, we propose to deal individually with the Ministries which we visited. These are for the most part housed in the old and royally decorated buildings of the old régime, in which the Ministers, generally speaking, have the option of residing during their term of office. The importance which is attached to the Ministry of the Interior, however, is indicated by the fact that, in this case, the residence of the Minister at the Ministry is considered compulsory. As the chief agent of the centralized power he has always to be on the spot to direct it. The position of this department in the French system is best indicated by a brief outline of the method of local government.

France then is divided into eighty-six administrative departments subdivided into arrondissements, cantons and communes. At the head of each department is a prefect, a political official nominated by the Minister of the Interior and appointed by the President, who acts as the general agent of all departments of the Government, and as representative of the central authority. To assist him, the

prefect has a general secretary and an advisory council, the members of which are appointed by the President, which has jurisdiction in certain classes of disputes arising out of administration, and must, in certain cases, be consulted, though the prefect is not bound to follow its advice. The prefect supervises the execution of the laws, has wide authority in regard to police, public hygiene and relief of pauper children, has the nomination of various subordinate officials, and is in correspondence with the subordinate officials in his department, to whom he transmits the orders and instructions of the Government. The appointment of a British Civil Servant, however competent, to administer one of our important county boroughs in this manner, as the political agent of the Government, would doubtless result in open insurrection within a week.

Although the management of local affairs is in the hands of the prefect his power, however, with regard to them is checked by a deliberative body known as the general council, corresponding to our County Council, which consists for the most part of business and professional men, elected by universal suffrage, each canton in the department contributing one member. This council controls the departmental administration of the prefect, and its decisions on points of local government are usually final. It assigns to each *arrondissement* its quota of taxes, authorizes the sale, purchase or exchange of departmental property, superintends the management thereof, authorizes the construction of new roads,

railways and canals, and advises on matters of local interest. Political questions are rigorously excluded from its deliberations. The general council, when not sitting, is represented by a permanent delegation.

As is the prefect in the department, so is the sub-prefect in the arrondissement, though with more limited power, the representative of the central authority. They usually come from families of good standing, and either possess a degree, or have had legal training, being assisted, and in some degree controlled, by the district council, to which each canton sends a member, also chosen by universal suffrage. As the arrondissement has neither property nor budget, the principal business of the council is to allot to each commune its share of the direct taxes imposed on the arrondissement by the general council of the department. The canton is a purely administrative division, not concerned with financial matters, containing on an average about twelve communes, though some exceptional communes are big enough to contain more than one canton. It is the seat of a justice of the peace, and is the electoral unit for the general council and the district council, as already mentioned.

The communes to the number of 36,000 varying greatly in area and population are the administrative units in France. The chief magistrate of the commune is the mayor, who, as the agent of the central Government, is charged with the local promulgation and execution of the general laws and decrees of the country, and, as the executive head of the

municipality, supervises the police, and the revenue and public works of the commune, and acts as the representative of the corporation in general. He also acts as the registrar of births, deaths and marriages, and officiates at civil marriages. Mayors are usually assisted by deputies varying in number from one in a commune of 2,500 inhabitants or less to a maximum of twelve in the more populous communes, Lyons being exceptionally allowed as many as seventeen. Both mayors and deputies are elected by, and from among, members of the municipal council, for four years. This body consists, according to the population of the commune, of from ten to thirty-six members, elected for four years, by Frenchmen over 21 years of age with a six months' residence qualification. As in the case of London, Paris is administered differently from other municipalities. There is no elective mayor, the president of the municipal council, who is nominated by his colleagues, merely acts as Chairman of their meetings. When occasion requires the function of mayor is discharged by the prefect of the Seine.

The local affairs of the commune are decided by the municipal council, and its decisions become operative after the expiration of a month, save in matters which involve interests transcending those of the commune. In such cases the prefect must approve them, and, in some cases, the sanction of the general council, or even ratification by the President, is necessary. The council also chooses communal delegates to elect senators, and draws

up the list of assessors, whose function it is to settle how the commune's share of direct taxes shall be allotted among the tax-payers. The sub-prefect then selects from this list ten of whom he approves for the post. The meetings of the council are open to the public. The communes can raise local rates for local expenses, but the amount to be raised has to be authorized by the Ministry, and is usually strictly limited.

The *Ministry of the Interior* deals with the whole of France including Algeria, and matters not retained within the immediate control of the Minister himself, or the Parliamentary Under-Secretary of State, are allocated to four directorates as follows :

Establishment.

Comptroller and Accountant-General.

Departmental and Communal Administration.

Public Safety (Police).

The principal branch of the Minister's own department is that of the head-quarters of the General Inspectorate of Administrative Services, which deals with the appointment and general control of Inspectors who tour the country annually, investigating the working of the various local offices, and furnishing reports thereon, not only on behalf of the Ministry of the Interior, but also of the other departments of the Government. Attached to this is a kind of Central Registry which also arranges all contributions of the Ministry to the Official Gazettes and Bulletin of Laws and prepares the official bulletin of the Ministry, generally controls the administration and management of official periodicals and deals

with the distribution and display of official speeches and documents. In this connexion it may be mentioned that when any Member of the Chamber makes a good or important speech the latter is reprinted and officially displayed in every commune by the Ministry (cf. the placarding throughout this country of the Prime Minister's speech on the coal strike). A minor branch deals with the application of the legal provisions with regard to the periodical Press, including the registration of editors, the receipt from the printers of copies of all works produced in Paris and the departments, including engravings, music, and other reproductions intended for publication such as cinema films, literary copyright and piracy and the execution of national conventions relating thereto.

The Establishment Department deals not only with the appointment of the head-quarters staff of officials and clerks, and the relative competitive and qualifying examinations, but also with the appointment of prefects, sub-prefects, general secretaries, and prefectorial councillors, the superannuation of the officials and employees of the Ministry, and the payment of their pensions, and nominations for and promotions in the National Order of the Legion of Honour, questions relating to the grant of foreign honorary distinctions, and to civil decorations generally. It may be mentioned that a dossier, or confidential collection of documents, relating to every functionary of the State is carefully annotated and consulted by his chiefs when there is a question of his promotion or dismissal. Those

of the principal officials are kept in this department, while the reports relating to the great army of minor officials in the provinces are kept and revised at the prefectures and sub-prefectures throughout the country.

The Comptroller and Accountant-General's Department takes cognizance only of central expenditure, and consists of two main divisions, an Estimates Branch and an Accounts Branch. The former prepares the budget of civil expenditure, and corresponds thereon with the Ministry of Finance and the Parliamentary Financial Commissions. The latter comprises three sections, of which the first examines claims and issues pay orders, the second keeps the cash accounts, and the third the store accounts.

The Local Government Department deals with the budgets of the departments and communes, their accounts and financial and other business generally including disputes between them, highways other than national roads, public utility and other associations and religious bodies.

The Police Department controls the national and local police, administrative and judicial, throughout the country and deals also with passports and the control of foreigners, the regulation of gambling and lotteries, deportations, extradition, exile, deserters, motor traffic and aviation, emigration, cruelty to animals, pedlars, and the repatriation of indigent Frenchmen from abroad. The administrative police are charged with the maintenance of order and the judicial police with tracking offenders and bringing them to justice.

We were interested to learn that reconstruction proposals were also under consideration in France, and that, partly with a view to meeting complaints of over-centralization, the grouping of departments into regions was contemplated for dealing with such matters as railways, canals, etc., affecting more than one department. Whether this would result in much more than the creation of a species of super-prefect was not disclosed.

Before proceeding with the Ministry of Justice it will be useful to sketch in outline the French judicial system. The lowest tribunal in that system is that of the justice of the peace in each canton, who, in his capacity as civil judge, takes cognizance of disputes involving claims up to £24 in value, and in certain special cases £60. Where the amount is under £12 there is no appeal from his decision. He has the important function of trying to reconcile disputants, and no suit can be brought before the court of first instance until he has unsuccessfully endeavoured to secure agreement. He has also criminal jurisdiction in regard to minor breaches of the law, and if the sentence be a fine up to 4s. there is no appeal. In all other criminal prosecutions a secret preliminary investigation is made by an official known as a judge of instruction. Here the prisoner has no legal assistance, and in consequence he frequently pleads mental incapacity. The judge may either dismiss the case at once, or order it to be tried, when the prosecution is undertaken by one or other of the public prosecutors. This process corresponds in some degree to the

manner in which English magistrates dismiss a case or commit the prisoner to quarter sessions or assizes, but the powers of the French judge are more arbitrary and absolute. We were much struck by the disadvantage at which the prisoner is placed by the fact that he is by law regarded as guilty until he proves his innocence, whereas in English law innocence is presumed till guilt is proved. We learnt that criminal cases are dealt with in three categories :

Flagrant délit—caught in the act.

Instruction—on information only.

Citation directe—information and some definite evidence.

Courts of first instance in every *arrondissement* serve as courts of appeal from the justices of the peace, and have original jurisdiction in civil and criminal cases. A public prosecutor is attached to each court. In civil matters decisions relating to personal property to the value of £60, or to land to the annual value of £2 8s., are final, but when larger sums are involved an appeal lies to the courts of appeal. In criminal cases, when it is known as a correctional tribunal, its jurisdiction extends to offences punishable with more serious penalties than those dealt with by the justice of the peace, but not entailing such heavy sentences as those dealt with by the assize courts, and its judgments are all subject to appeal before the court of appeal.

There are twenty-six courts of appeal, with public prosecutors attached to them, and each covering from one to five departments. Their principal

function is the hearing of appeals from the lower courts, and they only exercise original jurisdiction in a few cases, e.g. discharge of bankrupts. Criminal cases may be dismissed on the ground of insufficient evidence, or referred for trial to lower or higher courts.

The assize courts are not separate and permanent, but are held quarterly in each department, usually at the chief town, by an official appointed *ad hoc* of the court of appeal to which the department is attached. These courts are entirely occupied with the most serious offences, and in these courts alone there is always a jury of twelve, who decide, as in this country, on the facts only, leaving the sentence to the judges. The verdict is, however, given by a majority.

The highest tribunal in France is the Court of Cassation sitting at Paris, to which a Public Prosecutor is also attached. It is divided into three sections—the Court of Petitions, the Civil Court, and the Criminal Court. The Court of Cassation can review the decision of any lower court, except the administrative court. Criminal appeals usually go straight to the criminal section, but civil appeals generally undergo preliminary examination before the Court of Petitions. If the latter dismisses the appeal their decision is final, but if the demand for rehearing is granted the case then goes to the Civil Court. The Court of Cassation does not give an ultimate decision, but pronounces, not on the facts, but on the legal principle at issue, or the competence of the original court. Any decision of the lower

courts may be annulled, the case being then remitted to a court of the same order.

The *Ministry of Justice*, apart from the Minister's own section, is divided into four directorates :

Civil Law and Seals.

Criminal Law and Pardons.

Establishment and Accounts.

Prison Administration.

The Minister retains within his immediate control matters concerning foreign legislation and international law, and the departmental estimates.

The Director of Civil Law and Seals comprises within his functions questions relating to the laws of war, the term civil being used, of course, in the legal sense as opposed to criminal and not in the ordinary sense of non-military. He also deals with matters relating to legislation and the *droit administratif* referred to by Lord Haldane in his lecture on the Machinery of Government. Cases coming under this law are determined by the Council of State and the Prefectorial Councils in their judicial capacity. In regard to legislation, we learnt that decrees were issued by the Council of State, which correspond in some degree to our Orders in Council. Further sections of this branch are concerned with notaries and ministerial officers, while the functions in regard to seals are such as are performed in this country by the Crown Office and the Clerk to the Crown who attends the Lord Chancellor as keeper of the Great Seal. We were received in the room where the Peace Treaty was sealed, and were shown

the seal with which the signature was authenticated, and also the Acts regulating the French Constitution. We later visited the *Palais de Justice* and saw the room where Louis XVI was tried.

The Director of Criminal Law and Pardons also deals with the expenses of justice, records judicial decisions, and compiles judicial statistics.

The Director of Establishment and Accounts deals with the judicial personnel of the various Courts and Tribunals of France, Algeria and Tunis, justices of the peace and recorders, and keeps the accounts of the Ministry. The dossiers of all the officials mentioned are kept in this department.

The Director of Prison Administration deals with the personnel, the estimates and accounts, and the statistics of prisons, the Prison Commission and the general study of prison questions, including those relating to the execution of sentences in—

The houses of detention in every arrondissement for persons charged with offences and those sentenced to more than a year's imprisonment, who are awaiting transfer to a central prison ;

The more important corresponding establishments in the assize court towns for the safe custody of those tried or condemned at the assizes ;

The departmental prisons, for summary convictions or those sentenced to less than a year, and

The central prisons for all sentenced to imprisonment for more than a year or to hard labour, and also reformatory establishments for juvenile offenders, and dépôts for travelling prisoners and deportees. He also deals with societies interested

in liberated prisoners, and the cancellation and remission of sentences.

This last department was formerly attached to the Ministry of the Interior, from which it was transferred about ten years ago. It is interesting to note that the Ministry of Reconstruction Report suggested the transfer of similar functions from the Home Office to the proposed Ministry of Justice.

In the case of the above Ministries we had been received by the various directors in turn, and our conversations had been carried on in French. We had moreover found some difficulty in getting a general idea of the work of the Ministries from these heads of sections, who, while most anxious to give all available information as to their own branches, naturally appeared to take a more or less detached view of the functions of their colleagues. We had learnt with satisfaction, however, that at the *Ministry of Finance* we should be received by an official who would deal with the whole department and explain matters to us in English. There was therefore great expectancy about this Ministry—the Department of the Lords of the Treasury as the highest officers of finance are designated in this country. Finance has ever been a subject of specialization by French economists. The spacious library into which we were ushered by a member of the staff was full of selected works on finance, some of which were familiar to the British student, and of world renown. It was not merely the feeling that the delegates were at the centre of the French Government according to British ideas, but the

apprehension that Paris was also the city, *par excellence*, for financial operations which were linked with movements of capital, that possessed the minds of the visitors. Very soon the scheme of French financial administration was unfolded to the delegation.

The Ministry appears to have a far more comprehensive hold upon the public finance than in Britain. Whereas at home we have national finance controlled by the House of Commons, and entrusted to the Lords of the Treasury, and local finance devolved upon provincial authorities with different degrees of autonomy, in France the central power, owing to the survival through every political crisis of the Napoleonic system of administration, which arose from an agelong tendency to concentration of power, reaches in financial, as in other matters, to the farthest confines of the Republic.

The Finance Minister is responsible for the preparation of a draft Budget based on the estimated expenditure required by the Ministers of the other public departments. Each Minister has to assume direct responsibility for the cost of his administration, and is not so dependent as are our Ministers upon the British Treasury authority for incurring fresh items of expenditure; he states his requirements, the Treasury take note of the estimate. The draft Budget is withheld from the Chamber of Deputies until the Budget Commission of thirty-three members have exhaustively examined the proposals. The Minister of Finance commences his duties with regard to the Budget in October—

the financial year coincides with the calendar year—not for the succeeding year, but for the year following that. He has to prepare for fifteen months ahead: on the one hand he knows what amounts his colleagues desire, on the other he surveys the problem of the probable revenue. But his Budget having left him, the final issue of the estimates and expenditure rests with the Commission and the Chamber of Deputies. The Commission acts more or less independently, its powers in this respect exceeding those of the recent British Estimates Committee, which was precluded from considering the policy on which the estimates depend, though presumably the special criticism of the latter would reduce the importance of the normal, and sometimes very hurried, debates of the House of Commons.

Although the Budget Commission has the Finance Minister's statement before it so early, the Commission does not proceed hastily to dispose of its business, and it may be that a considerable period elapses before the Reporter-General explains the approved Budget to Parliament. This official and not the Minister of Finance assumes the rôle of our Chancellor of the Exchequer. The Reporter-General is appointed by the members of the Commission, who are themselves elected for one year by the Chamber of Deputies. The nearest parallel office in the British system is that of the Financial Secretary to the Treasury. The draft Budget is known as the *projet de loi*. Supplementary estimates are introduced into the original Budget, while it is under consideration, by the Special Finance Commission.

It would appear that the Budget may not have been voted before January 1, when it should begin to operate, and consequently monthly provisional votes, known as *douzièmes provisoires*, have to be passed, notwithstanding that the Finance Minister parted with his original Budget before the end of the preceding year.

When finally passed the Budget is known as the *Loi des Finances*, and the execution of the powers granted becomes a matter of concern to the Minister in his oversight of financial operations, for which purpose he has an agent in every department. Perhaps we may here compare our accounting officers, responsible for financial propriety. The Finance Ministry is very severe on any department which exceeds its chapter or vote : and the central department keeps in close touch with what is happening in this connexion. The published accounts were open to our inspection. They were in much greater detail than the nearest analogy in the British system, viz. the annual Finance and Revenue Accounts showing the national income and expenditure.

So far as taxes are concerned the scientific division of the country into departments, arrondissements and communes, and the one central control from head-quarters, lends itself to a similarly organized system of payment of taxes through local officers—*trésoriers-payeurs généraux*—who are responsible not only for accepting revenue which has to be accounted for to the Ministry, but also for making all necessary disbursements in their areas, all of which must, however, be duly authorized.

The *cour des comptes* acts in the capacity of audit control—we have our Comptroller and Auditor-General whose reports are reviewed by the Public Accounts Committee on behalf of Parliament. In the French plan the Chamber of Deputies formally approves the work of the auditors.

There is apparently a very elaborate system of issuing cheques or orders to pay—comparable with the British system of warrants—certificates that the order is in due course, and the intervention of the local branches of the Bank of France. It is not necessary to enter into these details on this occasion, but it is to be noted that the Ministry maintains the dual record of amounts passed for payment and of amounts actually paid.

The interesting point was mentioned that Ministers are privileged to hold balances unspent at the end of the financial year for a period of three months, and to use them for legitimate payments proper to the previous year. With us all unspent balances are normally applied to the cancellation of the National Debt, except when capital expenditure is voted as such independently of the Budget and the Finance Act for the year, and where such balances represent uncompleted contracts, they must be revoted in the next year's estimates.

The permanent Civil Servants of the Ministry of Finance are an independent body, appointed by the Minister, half by examination and half by patronage, being nominated from a list of selected persons as a reward for special services. Once appointed their tenure is secure as they cannot be dismissed.

British appointments are technically held during the pleasure of the Crown, but in practice the British Civil Servant is only dismissed on grounds of misconduct or incapacity, while the Comptroller and Auditor-General can only be removed by the joint action of both Houses of Parliament.

It was mentioned that the French system of Income Tax was more akin to the German than our own, but probably the new British scheme is more nearly parallel than the old. Of course, we heard details of the methods of taxation, and the arrangement for various classes of officers responsible for separate items of revenue, income tax, customs, excise and stamps all being controlled by the Finance Ministry. The cost of collecting customs and excise duties appeared to be much heavier than in this country, owing probably to the system of protective tariffs and the extensive land frontiers.

The French appeared to think their efforts to secure additional revenue by means of a tax on sales very promising. For its assessment and collection they depended on records of sales which were required to be kept in a special form by the vendor, who was entitled to add the appropriate percentage to the price of each article. It having been found that the purchaser's knowledge of the exact amount of the tax was prejudicial to sales the seller was now required to state the inclusive price of the article, without specifying what proportion was represented by the tax. It is worthy of note that, as a principle of taxation, the French have developed

very considerably a prominent feature of some of the British systems of charge—collection by the public on behalf of the State—and they have adopted this method to such an extent that nearly every business man in France has a hand in assessment and collection. Thus, on completion of a sale of property the lawyer is legally required to hand over to the Government its proportion of the proceeds, and a banker through whom a transfer of capital is made as the result of the demise of a client, or a sale of shares, is accountable to the State for the payment of the death or transfer duties. The *ad valorem* tax on sales has at least the recommendation that the duty is levied and paid at the exact time when the article goes into consumption. The tax paid should therefore reach the State in its entirety, free of any charge to the consumer in respect of interest on capital paid in duty. Reference was also made to the fixing of local taxes on the national basis, a method which appeared to us more scientific than the British method. The conference at this Ministry was of the highest interest, and the gracious manner in which the Inspector dealt with all our inquiries added greatly to a most enjoyable visit to the Treasury of the French Republic.

The burden of public instruction in France is shared by the communes, departments, and State, while side by side with the public schools of all grades are private schools subjected to State supervision and certain restrictions. Any person fulfilling certain legal requirements in regard to capacity,

age and character may set up a private establishment of any grade, the buildings of which have to be officially approved, but schools may not now be kept by any religious body. At the head of the whole organization is the Minister of Public Instruction, assisted and advised by a supreme council over which he presides. The majority of the members of this council are elected by the higher teaching profession, while a few are nominated by the president to represent private schools, and a few are elected by the primary teachers.

France presents the most complete type of a State system of education, organized under a strongly centralized administration in all grades, nothing approaching local autonomy being known. Decentralization proposals are, however, also under consideration in these matters, the formation of 100 educational regions is contemplated, and the extension of provincial Universities has been suggested to check the migration of young France to Paris. There is a system of general inspection, for which purpose the country is divided into seven districts. The functions of the general inspectors are to inspect the normal schools, to supervise the work of the ordinary inspectorate, and to give general and comparative information on the progress of primary instruction. For administrative purposes the departments of France are grouped into seventeen educational districts or academies, having their centres at the seats of the Universities. At the head of the academy is the rector, who is appointed by the president, and must hold a doctor's degree.

He is also the head of the University, and has a general oversight over superior, secondary and higher primary education, being assisted by an academic council.

Each department of France has an academy inspector, appointed by the Minister, whose duties embrace higher and primary education, of the latter of which he is the real local head, with primary inspectors as his subordinate officers. These are appointed upon the result of a severe examination, and not as in Britain by nomination, primary teachers being rarely successful. He appoints probationer teachers, and nominates regular teachers for appointment by the prefect. The latter, who it will be remembered is nominated by the Minister of the Interior, not only appoints the teachers upon the proposition of the academy inspector, but is also president of the departmental council which deals with the supply of schools, etc., and thus corresponds in some degree to our local education authorities though it is in no sense a municipal body, the representatives thereon of the County Council being greatly outnumbered by the members of the teaching profession.

Very limited powers are entrusted to certain communal and cantonal authorities, e.g. the supply of clothing and meals to needy children. The mayor of the commune has the right of visiting the schools but cannot interfere with the teaching. Similar duties are assigned to the cantonal delegates appointed by the departmental council, who can best be described as local inspectors or visiting com-

mittees rather than as managers in our sense. There is also in nearly every town an association of parents and officials which criticizes the methods of teaching and the treatment of the children. The multiplicity of officials seems complicated to us, but it works smoothly enough, since the province of each individual is so clearly defined that there is no opportunity for dispute between ambitious rival authorities.

University in France is the technical term for the great teaching corporation engaged in the secondary and superior education of the country, the teachers being classed together as professors. The highest institution of learning is the *Institut de France*, founded and kept up by the State. Mention should also be made of the *Collège de France* and the *Sorbonne*. Superior education is given by the State in the various Universities, which have very few endowments and depend principally on large State subventions, deriving only a small proportion of their income from donations and fees. These institutions are, to a certain extent, autonomous, they present candidates for office therein, but the Minister nominates. There is no special entrance examination corresponding to our matriculation, but certain qualifications are required, and the payment of a fee. Some 42,000 persons pass through these Universities annually. There are in addition a number of superior schools of various kinds, e.g. the Central School of Arts and Manufactures, the School of Modern Oriental Languages, and the Practical School of Scientific Research in Paris, National Professional Schools in the provinces

for the education of working-men, and the more advanced Art and Trade Schools, Practical Schools of Commerce and Industry for the training of clerks and workmen, and Private Schools of Commerce, and certain other municipal and private schools. Specially to be noted is the School of Political Science at Paris, which prepares pupils for the Civil Service and teaches political subjects connected with all countries which are not included in the State programmes. In the time at our disposal we were unable to visit this institution, which appears to be somewhat akin to the London School of Economics.

Secondary education is given in *lycées* by the State, in *collèges* by the communes, and in private schools. It is not compulsory, nor entirely free, but the fees are small, and a great many scholarships are given by the State, departments, and the municipalities, by the aid of which a clever child can pay for its own instruction. A *lycée* is founded in a town by decree of the President acting on the advice of the supreme council of public instruction. The municipality pays the cost of building, furniture and upkeep. The principal is an official appointed by the Minister. He is assisted by professors, who have to pass a special examination open to persons possessing University qualifications, and by other teachers. The full course of study covers seven years from ages 11-12 to 17-18 in two periods. At the end of the first four years the certificate of secondary studies may be obtained after examination. During the second period there is a choice

of courses, leading after two examinations, conducted by the University, to a degree or secondary school leaving certificate, which is a necessary qualification for entrance to a University. *Lycées* take boarders, but there appears to be nothing really akin to our public schools. The *collèges* are similar to the *lycées*, though of a lower grade, and are maintained by the State and the municipality on a ten-year contract. If, however, the municipality is unable to bear the financial burden, the State takes over the *collège* and converts it into a *lycée*. The professors do not require such important qualifications, and a considerable number of scholars pass annually from the *collèges* to the *lycées*. Private secondary schools are inspected by the State, and the teachers must hold certain qualifications. There are 115 *lycées* for boys and 59 for girls, also 220 *collèges* for boys and 81 for girls. The course for girls is somewhat shorter than the above. It will be observed that the standard of education in the higher section of the *lycées* is much superior to that of our secondary schools, approximating more nearly to that of the first stage in our Universities.

All primary public instruction is free and compulsory from the age of 6 to 13, but a leaving certificate may be obtained at the age of 11 on passing an examination. Parents wishing to send their children to a private school must notify the mayor, stating the school chosen. If educated at home, a yearly examination is required after age 8, and failure to pass involves attendance at a school thereafter. There are, in addition, infant schools

for children from 2 to 6, higher primary schools and supplementary courses open to those who have obtained the school leaving certificate, and primary technical schools kept by the communes or departments. Persons keeping private primary schools may not use books prohibited by the superior council, and before opening must give notice to the mayor, prefect, and academy inspector, and forward their diplomas to the latter.

The *Ministry of Public Instruction and Fine Arts* consists of eight directorates, that dealing with technical education being under the charge of the Parliamentary Under-Secretary. The Minister's directorates are as follows :

The Director of Superior Education, dealing with Universities and superior schools, the superior council and general inspection, scientific and literary establishments, special schools, the administrative personnel of the academies, libraries and international exchanges, historical and scientific works, learned societies, and scientific and literary missions, and the supplies and accounts thereof.

The Director of Secondary Education, dealing with *lycées* and *collèges*, their personnel, supplies and accounts.

The Director of Primary Education, dealing with similar matters in all primary schools.

The Director of Fine Arts, having charge of civil buildings and national palaces and furniture, historical monuments, architectural services, works of art, museums and exhibitions, and theatres (cf. Office of Works).

The Director of Accounts, keeping the central accounts

of the Ministry and dealing with the personnel, their salaries and pensions.

The Director of Records, keeping the national, departmental and communal archives, ancient and modern (cf. Record Office).

The Director of Scientific and Industrial Research and Inventions, dealing also with technical committees.

To the *Ministry of Commerce and Industry* is assigned the commercial part of the duties fulfilled in Britain by the Board of Trade. The Minister is assisted by an advisory body known as the Superior Council of Commerce and Industry. He retains the estimates within his own control, other matters being distributed between four directorates :

The Director of Personnel, Commercial Expansion and Credit is assisted by two sub-directors, the first dealing with personnel, accounts and weights and measures.

The sub-director of commercial expansion deals with commercial attachés and agents, chambers of commerce and exhibitions abroad, and commercial representation abroad generally, including the National Office of Foreign Trade carried on jointly by the Ministry and the Paris Chamber of Commerce, the latter having provided the initial installation. This office, founded for the promotion of French trade abroad, fulfils duties similar to those of the Commercial Intelligence Department of our Board of Trade, disseminating commercial intelligence by means of an official weekly publication, which contains also the consular reports.

A third section deals with industrial and commercial credit, mutual guarantee associations and the popular banks, which make loans to

traders, together with the inspection of the latter. Small traders, we learnt, were since the war being lent by the State double their capital for twenty years to develop their home trade.

The Director of Commercial and Industrial Affairs deals with the general state of production and the movement of prices, customs legislation and tariffs, industrial and commercial combinations, economic regions, commercial and industrial legislation generally, and the Chambers of Commerce established in the chief towns, whose principal function is to advise the Government on measures for improving and facilitating commerce and industry within their districts. The members are elected from their own number by the traders and industrialists of a certain standing.

The Director of Commercial Agreements and Economic Information deals with commercial treaties, exchange statistics, and inquiries, and keeps the ministerial library.

The Director of Industrial Property deals with patents, trade-marks and registered designs, industrial compensation, and commercial registration and unhealthy trades.

In the offices we had previously visited we had been generally informed that women were not employed in the administrative branches of the service, and that appointments for women were confined to work directly affecting women and children, such as school teaching, factory inspecting, etc. We were told, however, at the Ministry of Commerce that, owing to the shortage of men caused by the destruction of life in the war, permission had been obtained to recruit women for temporary administrative posts for a period not exceed-

ing three years, when their appointments would be subject to reconsideration. The Ministry of Commerce had apparently somewhat exceptionally put this sanction into effect, and had held a competitive examination. The number of women entrants was comparatively small and approximately fifty women had passed the qualifying standard, of whom five had been engaged by the Ministry, but only three were actually at work at that time. They were doing exactly the same work as the men, and were considered highly satisfactory, and it was thought that there was little doubt that they would be made permanent at the end of the three-year period. This experiment will no doubt be of especial interest to our women Civil Servants, but as it stands at present it rather indicates that their position in this country is much in advance of that of their French colleagues.

In concluding this account it may be desirable to explain what was expected to be gained by our visit. The Society as you are aware stands for the establishment and development of the Civil Service as a profession, and by its lectures and other activities is endeavouring to arouse a spirit of co-operation in the Civil Service to improve the status of its members. It seeks to encourage the Civil Servant to look outside his office for knowledge which bears on his actual duties, or which will, by developing his mind, make him a more useful servant. A visit, therefore, to another country to compare the methods of administration with those of his own appeared to be a most desirable means to this end,

and as the first experiment the visit to Paris was arranged. It is true that much, and possibly more, information than that obtained might have been gained by a careful study at home of the various French official publications, but we should not have gained that intimate insight of the position at the moment, or have had anything like the advantages which offered by questioning the officials on the spot in their surroundings, actually at work on the very matters under investigation, and following the discussions promoted by the inquiries of a number of persons all eager to obtain information.

Possibly we did not always draw the right conclusions, but I am certain that individually we all greatly benefited by the visit. The daily intercourse between a number of officials drawn from all over the Service, all bent on a common object and having all their time to devote to it, was bound to have a good effect, and I am sure we all returned with minds enriched, and I hope better servants of the State in consequence. Our example we trust will be followed, and the Society hopes that its members may be encouraged to direct their attention to the study of the administration of other countries, and so help to develop the technique of their profession.

Encouraged by the success of the first visit the Society proposes to extend its inquiries to other countries, and arrangements have already been made through the Foreign Office for a Delegation to visit The Hague next August.

SOME PROBLEMS OF INTERNATIONAL ADMINISTRATION

BY J. A. SALTER, C.B., General Secretary of the
Reparation Commission.

IN one respect the position of an English Civil Servant who engages in international work is a very pleasant one. He finds a universal recognition of the leading position acquired by the British Civil Service through its traditions, experience and training. The problem of international administration, in the form in which it now confronts the world after the war, is both novel and important. I am glad, therefore, that this Society, representing what is perhaps the leading national administration in the world, has chosen this subject as one of those to which it is to give its attention this session.

If I wished to demonstrate the scope and importance of international administration as it is and as it is likely to develop, I should bring a copy of the Treaty of Versailles. The mere bulk and size of this Treaty would illustrate the direction in which the affairs of the world are developing. They are to an unprecedented extent interlocked, if you will, entangled; and their management must therefore,

to an unprecedented extent, be international. The Treaty of Versailles is no slender volume containing in a few pages of diplomatic language the outlines of general policy or the definitions of new frontiers. It is a huge book of four or five hundred pages and in its contents like a series of (somewhat hastily drafted) commercial bargains and economic agreements. A very large part of it is incapable of separate application by individual Governments. Over a very wide sphere international administration has become a necessity, and the peculiar problems which it presents are now therefore of especial urgency and importance.

Speaking to an audience of Civil Servants engaged in the daily work of national administration I should like, before dealing with the more general aspects of my subject, to refer to some of the technical difficulties.

We have, for example, almost all of us, I suppose, during the past few years, experienced the special difficulties involved in building up a new office—difficulties of recruiting, of salaries, of grading, of division of work. Consider how much greater these are when the staff is international. You must recruit your staff from a number of countries ; your information as to qualifications is necessarily second or third hand ; and when, selecting thus hazardously, you have made an appointment, you are seriously committed because you have transplanted your man from his own country and he has probably brought his family with him. Then the habits and methods of work are infinitely different.

Some have been accustomed to work from 8 to 4, others from 10 to 7, others perhaps from 8.30 to 6 with a two hours' break for lunch. And some of these habits are hard to change ; a whole scheme of family life, for instance, may be based on a two hours' break at midday which enables the man to get home and see his children. Then the standards of pay are very widely different. You can get no one at a lower salary than is attractive to him. But if, rank for rank, you grade up every one to the best paid nationality, you pay salaries which seem fantastically high to other countries ; if, on the other hand, you pay differentially the result seems unjust. There is no complete solution of these two troubles, but you will probably find that you must base your scheme of hours on the habits of the country in which the office is situated, and make the other nationalities conform as far as possible. The trouble of different standards of pay can be reduced, though not removed, by taking equal basic rates of pay for all nationalities and adding differential expatriation allowances. At present the problem is moreover immensely complicated by the state of the exchanges. Each nationality thinks primarily in terms of his own currency. It is difficult to fix an Englishman's salary in francs or an American's in pounds. Here again the best solution can never be an ideal one. The lower staff will probably be recruited locally for the most part, and it is best to fix their salary in the national currency, with a varying addition based on the index of the cost of living. The higher staff will

be drawn in higher proportions from a number of countries and will expect to invest savings in their own country, and for them it is probably best to give part of the salary, either in terms of their several currencies, or in gold (i.e. to calculate the amount payable on the basis of the gold or dollar exchange). But the inequalities when the exchanges move quickly are infinite.

Worst of all the difficulties is that of language. Fortunately the Treaty which established both the League of Nations and other bodies like the Reparation Commission to execute different parts of it, reduced a polyglot world to a duoglot world. It recognizes two languages only—French and English. Even so the difficulties are very great. If every sentence, spoken or written, has to be translated the expense both in time and staff is very great; and, besides that, the work loses in flexibility and elasticity. In committee work, for example, the argument cannot be closely engaged; the interplay of ideas, on which good co-operation depends, is fatally checked. Well, ideally, every one ought to know both languages. But you can't insist on this or you will fail to get your technical qualifications. And for some nationalities, it must be remembered, to know either French or English means knowing one foreign tongue. But it is not so difficult to require every English-speaking person to read and understand French and vice versa. This is a very different thing from writing and speaking it. If this can be done, every one can speak and write in his own language and translation is unnecessary.

Another useful device is to make English the standard language for certain subjects and French for others. Some translation may still be required for office convenience, but this is much easier to arrange than the very perfect translation which is necessary if both the English and French versions of important documents are equally authentic. Indeed, translation good enough to satisfy this exacting test is almost impossible as the innumerable discrepancies in the two versions of the Treaty have shown. Incidentally, I might remark on the great difference between translating and interpreting. If you ever have to organize an office never assign them both to the same department. The ideal interpreter is a young man with a very quick and exact brain, who can seize the point of an intricate argument quickly and accurately. The ideal translator is a middle-aged, not necessarily very quick, donnish and academic man with a taste for the "mot juste." A man who is good enough to interpret is too good to be kept long at it ; he should be drafted into the administrative class ; the translator, on the other hand, is best kept permanently at his work. In nine cases out of ten, it is not through insufficient knowledge of the foreign language that either the interpreter or the translator fails ; the first fails because he doesn't understand the idea he has to express, the second because he doesn't know his own language. So if you have to interview an English applicant for the work of translating from French, don't bother so much whether he knows enough French ; but try to see whether

(what is much rarer) he knows enough English.

These are, however, only some of the technical difficulties which obstruct the path to the real problem of securing international co-operation and agreement on common action. This is, to a large extent, the problem, now familiar enough in our own home administration, of making the best use of committees, though complicated by a much wider range of individual and national qualities and temperaments. I would incidentally suggest this as a special subject of study for this Society. It is evident that, with the growing complexity of modern administration, the committee system is bound to develop. Legislation, general debates and parliamentary questions become less and less adequate as an expression of democracy; and, in one form or another, the public and Parliament will inevitably insist on a more effective control of administration through specialized committees. To this little-explored subject, urgently needing study, I venture in passing to make a few brief, and perhaps provocative, suggestions.

1. Committees can control, but they cannot *direct* administration. The spring of all administrative work is individual responsibility. Several able men on a committee will, under the complex necessities of administrative work, effect much less with a collective and undivided responsibility, than any one of them who feels individually responsible and is free to make a single coherent plan.

But the plan made by the individual can properly be submitted to a committee, who can see that it is

sufficiently in conformity with the special interests which they represent, and the special knowledge they possess.

2. Committees are an invaluable instrument for breaking administrative measures on to the back of the public. Modern government often involves action affecting the interests, and requiring the goodwill, either of large sections of the community or of the community as a whole. The action cannot be made acceptable without detailed explanation of this necessity, for which mere announcements in the Press are insufficient. In such cases the prior explanation and the assent of committees of representative men, who if convinced will carry the assent of the several sections of the community who look to them as leaders, are of the greatest possible value.

The use of advisory committees in connexion with the National Insurance Act is one of the many illustrations of this excellent and proper use of committees.

3. Committees can rarely exercise with effect a collective authority given by delegation to the committee as a whole.

The association, however, in a committee, of persons, each of whom possesses an individual authority in a special sphere, is a most valuable method of securing action in accordance with a coherent plan.

4. Committees are, in most cases, more effective and useful if they are advisory, even though they consist of persons whose separate individual authority secures executive effect to the wishes of

the committee as a whole. When they have direct power to effect action it will most usefully consist of a right to veto an unacceptable plan rather than a direct responsibility for initiating action.

5. Lastly, the best use of committees, in *formal* session, is not to arrive at agreement but to ratify and confirm an agreement already reached in informal and personal discussion.

There are difficulties and maxims applicable for both national and international committees. But the latter have also a peculiar task of their own. They have in most cases to secure action by sovereign and independent national Governments, whose action they may (and indeed must) influence but cannot direct. Here indeed is the most crucial problem of the most difficult form of international administration. Before the war most continuous international work was limited in a range and independent of the constant co-operation of national Governments. The International Agricultural Institute at Rome and the Danube Commission could obtain the necessary delegated authority and then proceed to carry out their work much as a national office would, except for the merely technical difficulties which I have already described. A body like the Allied Maritime Transport Council during the war was obviously in a very different position. Everything it did affected the allocation of the ships and of the essential supplies of several countries, and could only therefore be done with the consent of these countries.

Much post-war work is, in varying degrees, of the

same character. Here the essential problem is to influence the action, without displacing the authority, of the several national Governments. The discovery of the war administration was that the best way to do this was to bring the responsible ministers and officials of the different countries into such association that they themselves formed or directed the international organization. Constantly still you will find that the pivot of an international organization consists of persons who have a double capacity, partly national and partly international, representing the views of other countries to their own and of their own to others.

Let us consider briefly the way in which this principle developed. Before the war if the British Board of Trade wanted to communicate with the French Ministry of Commerce, its message went through the British Foreign Office and thence viâ the British Embassy in Paris; the reply came by the same devious channel. The message of one specialist to another was transmitted (and perhaps transmuted) through the pens and brains of two sets of non-specialists each way. For the complex and urgent administrative co-operation required in the war this cumbrous and devious method was obviously impossible. Specialist had to deal directly with specialist; the finance official, the shipping official, the wool official with the corresponding officials of other countries. In time these were formed into regular committees which grew into an effective and elaborate form of international administration. There have been changes both in needs

and in methods since, but the establishment of specialist international bodies like the Reparation Commission reflects the fact that current work now requiring to be done in co-operation is too complex, detailed and urgent to be arranged through unspecialized Foreign Offices ; and the relations between the directing members and their several Governments reflect the fact that it often too intimately affects national policy for it to be carried out by a body acting with complete delegated authority.

The task of the most important and difficult kind of international administration therefore is neither to carry out work independently of the national administrations, nor to override and direct these administrations. It is to facilitate agreement between them and co-operation in their action. The administration is neither parallel, nor superior, but essentially intermediary in character.

Let us in conclusion consider these remarks in connexion with the greatest international instrument—the League of Nations. Many people are at present talking as if the League is a spent force and as if this is in some way the fault of the League itself. Consider the position.

In the first place, the Covenant by which the League was founded seems to assume that the Peace of 1919 had really concluded peace in the world and that the work of the League was to maintain and not achieve peace. As a matter of fact, the Peace Treaties of 1919 were only the first chapters in a Peace which is still being negotiated in every

capital of Europe. The great bulk of the actual questions requiring international decision since 1919 have been questions directly resulting from the war and not settled by the Peace. They have therefore been discussed by the Allies in the Supreme Council rather than by assemblies of the world, including neutrals, in the League. International questions of the most pressing interest have thus tended to fall outside the League and diminish its prestige. I need not dwell upon the loss of America's association and the difficulties of work at Geneva, where the League has escaped some of the dangers of political influence from the great centres of power at the expense of the perhaps even greater danger of being divorced from the realities of political power. Much, however, of the criticism one now hears of the League and very much of the scepticism about the future of international work and administration spring, I believe, from a fundamental and fatal mistake as to what is the essential character of the League's work in the world. The League suffers from both extravagant hopes and excessive despair. Many people seemed to think the mere creation of the League was going to enable the particular people who were most enthusiastic for its creation to impose their will—the will of a minority—upon the will of the great majority of the world. They seemed to think that in some way or another the national Governments of the world could be either overridden, short-circuited or outwitted. The League of Nations, however, can only be the medium through which the desire of the world

may express itself. International co-operation can be effected if, but only if, the world desires it. If the League is to succeed it must not forget the essential principle of international administration that was discovered in the war. It must proceed by trying to link together the international administrations of the world. It must proceed by attempting to penetrate within the national administrations. It must assume, not the rôle of a super-Government, but the rôle of a co-ordinating secretariat. If it does this I believe it can in time be an instrument by which the administration of the world can be profoundly affected and the policy of the world profoundly modified.

The Brussels Financial Conference affords a good example. The League learned that a number of nations desired to consider some of the common financial problems which confronted them. It took the initiative in inviting a conference, it supplied the mechanical facilities for its work, it arranged the Agenda, supplied a President and a secretariat. It gave perhaps a certain orientation to the discussions by the mere fact that the Conference was called in its name. It published the results and arranged for the continuance of such work as the Conference desired. But it never attempted to impose a policy or to influence the discussions. It was fulfilling its essential task, not of governing the world, but of helping the national Governments of the world to govern in co-operation. Little by little, through such conferences, the world may learn to think not imperially but internationally. I can conceive the

time when no minister and no official in any national administration will frame his policy or carry out his executive work without being prepared to justify both (so far as it has international consequences) not only in his own Cabinet or Office but in international Conferences and Committees with his colleagues of other countries. If this process develops we shall see a new orientation given to the government and administration of the world. In this way the real object of the League may be effected by a process, not of compulsion, but of penetration and persuasion. One can conceive that though the head-quarters of the League may be in a single city not itself a centre of direct executive power, its real organization will be located not in one city but in sections of all the main capitals of the world. The central organization will not be a centre of controlling power, but an instrument to co-ordinate activity which is world-wide in its influence and its results.

And gradually under this system all the forces which exist in the world to assist the development of policy in a direction which conduces to peace and the general welfare, as distinct from national advantage and international dispute, may be mobilized and brought to bear at the most vital and effective points of national administrations. And a mechanism so constructed can never break under the strain of what it undertakes. It is elastic. It adjusts itself automatically to the possibilities of the moment. It gives expression in its most effective form to the real international feeling of the world. But there it stops. It does not attempt to impose

by either superior force or administrative device the international policy of any minority upon the reluctant or resistant national Governments of the world.

THE CIVIL SERVANT OF THE FUTURE

By SIR WILLIAM BEVERIDGE, K.C.B., Director of
the London School of Economics and Political
Science.

I DO not at all like my task to-night. Long ago a friend of mine, speaking of the Minister under whom he was then serving, said that that Minister was accustomed to address conferences of his departmental officers as if they were a public meeting. He did not mean that as a compliment, any more than Queen Victoria meant it as a compliment when she said something of the same sort about Gladstone. In fact, my friend went on to say that he found those conferences extremely fatiguing. I received a distinct impression that Civil Servants are not grateful recipients of perorations. Well, Lord Haldane, that puts you and myself in a great difficulty. If it is unwise to address Civil Servants as if they were a public meeting, I think it is even worse to address them when they are a public meeting. They really know too much to be lectured to, and if it comes to making a public speech, they know far too much about how speeches are made—or made up. They will spend the whole of their time wondering how much of what I am saying

is made up by myself and how much supplied by the office or the Private Secretary. If you come to think of it a Civil Servant's life is very demoralizing. The poet, or professor, or business man may go through life and remain a simple soul with many illusions even about the British Constitution if about nothing else. The Civil Servant can have no illusions about the British Constitution. He knows too much of its seamy side—I should rather say that he *is* the seamy side of the British Constitution. Perhaps it would be more tactful to say that Civil Servants are the seams of the British Constitution without which it would fall to pieces.

At any rate, Civil Servants are on the inside of one of the indispensable frauds of the British Constitution, that is to say, of the great illusion that a Cabinet Minister really runs his department and knows all about it and what it is doing. The main piece of machinery by which that illusion is fostered is the parliamentary question and answer, and the apparent omniscience that a Cabinet Minister then shows. Sometimes, of course, as you know, the mask slips a little. There was a regrettable incident during the war, when the official in charge having supplied the answer, appended to it a note for the guidance of the Minister, and the Minister unfortunately read out both the answer and the note. It was something as follows :

“ The answer to the first part of the question is in the negative ; the remaining parts therefore do not arise.

This Member is being very tiresome ; to give him any information only whets his appetite for more."

Well, the official who knows all about that sort of thing is a painfully sophisticated person. So, too, the official who, when his Minister is making a second reading speech introducing a Bill, sits in the official gallery counting the bricks as they drop from his Minister's mouth, and wondering how he is going to fulfil all the impossible pledges that are being made, also loses any illusions that he had. That sort of experience makes the Civil Servant a critical and sophisticated man, hard to lecture to and harder still for a fellow Civil Servant to address with either eloquence or conviction.

I need only say that I should certainly not have been here to-night if I had not myself been a Civil Servant for ten years. The policy of my speaking here at all is the policy laid down for me by my Minister—Mr. Corner—and much as I mistrust that policy I am doing my best to carry it out as the Civil Servant carries out the policy of his Minister ; I am making the best of a bad job. You may think that I have been taking some time in getting to the point. But really that is not so, because incidentally I have been telling you something about the Civil Servant in the present, and have started telling you a good deal about my view of the Civil Servant of the future.

Frankly I have no revolutionary views about the Civil Service. I do not look forward to any great or drastic changes in the constitution and

functions of the Civil Service. I do not, for instance, look forward to the time when we shall all be Civil Servants in a Socialist Commonwealth. I do not for a moment identify the future of the Civil Service with the future of the race. Nor do I look forward to any revolutionary changes in the personnel, or the organization, or the functions of the Service. I am afraid that as regards those matters I am essentially conservative. For the essential administrative and executive work of the Civil Service we shall not improve upon the methods that have been established in the past, namely, the competitive or semi-competitive examinations, for obtaining men of good general ability at various stages of education. Equally I doubt whether we shall do much to change the essential permanence of the Civil Service, or to introduce a Civil Service on the American lines, which passes in and out with the party.

I think if I may sum up my views about the present and future of the Civil Service, I could do so by comparing them to a very famous Order—the Order of St. Francis—which, as you know, was bound by a triple vow. I will make one change only, and say I believe that the Civil Servant when he enters the Service will in the future, as now, take upon himself the triple vow of poverty, anonymity, and obedience.

I should like to say as to poverty, that I mean poverty and not destitution. There is a technical distinction between the terms. I do not mean that the Civil Servant should not have enough

to live on, but I do mean that he should not try to compete with the business world in profits and income. I think the Civil Servant will look upon his salary as maintenance adequate to the needs of himself, and to bring up his family, if he has one, according to the highest standard of education in the country, and that is not always the standard of the business world and profit-making world. I am not criticizing the profit-making world, but I do not think the Civil Servant should aim at salaries which really compete with the income of the business man.

The second point is anonymity. I do not believe that it is possible to attempt to disturb that beautiful illusion of the British Constitution, by which the responsibility is the Minister's and the work that of the Civil Servant whose name remains unknown. It would be obviously impossible and even disastrous for the Civil Servant to pass beyond the stage of obedience—that of carrying out policy, and advising on policy if need be—and to attempt to dictate policy, as that would lead to the worst form of bureaucracy. I think perhaps it is rather important that the extent of the Civil Servant's obedience should be known.

I myself had the experience of being cited, I think in the Cabinet or one of its committees, as being in support of a particular measure, when really the facts were these. An official in another department concerned with introducing the measure came to see me upon a proposed Bill. I said to him: "This seems to me one of the worst possible

Bills that can be introduced"; and added, "If you want to make it less bad make the following changes." The official went back to his Minister, who declined to accept the changes. The official then came back to me and I said, "Let us draft the Bill as well as we can on the Minister's lines, though on any lines I think it is a most undesirable Bill." After that, because I had helped in drafting the Bill, I was supposed to be responsible for it. I merely quote this as illustrating the degree to which Ministers—even Cabinet Ministers—do not understand the principles upon which the Civil Service has to work—the only ones upon which it can work.

I have said that I do not look for any changes in the essential conditions, or character, or functions of the Civil Service. That does not mean that I do not look or hope for any changes at all. There is one mechanical change to which I have already called attention in a lecture which I gave last year, and is, I think, perhaps the most important mechanical change that can be made in the conditions of service. I refer to the conditions of Superannuation. It always seems to me that the Civil Service scheme of Superannuation is based on the wrong principle—of being devised to keep people in the Service as long as possible. That is not good, because it means people being kept forcibly in the Service even after they want to leave it, when they are well on in years, thus filling up places which might be filled by younger men; the Civil Service as a whole gets to be run pre-

dominantly by older people. At least, this was true when I myself entered it. I think perhaps all the Permanent Secretaries then were certainly over 55, some of them were as old as 60. That, of course, makes for lack of initiative, because it means that the young man entering a department is very apt to be kept upon routine work and only gets responsibility when he is too old to exercise it. Responsibility is a thing you cannot exercise unless you practise when you are young, and anything that keeps people back and keeps all the higher posts in the Civil Service predominantly filled by older people is bad. I do not mean that you should forcibly expel the older people, but I do mean that you should not have a pension system which compels men to stay on till they are 60, and encourages them to stay on even longer in order that they may add to their pensionable service. My own view is that it would not be a bad thing to have a system such as you have in the Universities. Under this system 15 per cent. of the salary is set aside each year, and belongs to the recipient. He may get it in the form of a policy or in a lump sum. It does not depend on his staying in the service of the University or institution for any particular length of time. It is simply part of his salary put aside which he can have when he wants it. That is one relatively small mechanical change which I personally should like to see in the Civil Service, making it easier for people to leave rather than difficult.

A much more important point—in fact, the

only important point I have to put before you—is the next one.

I was speaking only a few days ago to a very distinguished ex-Civil Servant—Mr. Sidney Webb. I asked him what he thought of the Civil Service. He said : “ Looking back to my days in the Civil Service, it still strikes me that no sort of attempt was made by anybody to teach me my job. I went into the Colonial Office and had to help in administering Colonies. There were no pictures of any Colonies on the walls, or any maps, and no books of reference. I had to learn my job by doing it, that is to say, by rule of thumb.” Personally I do not think there is anything you can learn well merely by doing it. In the Civil Service by competitive examinations we simply take into the Service men of good general education and high ability. They have no special qualifications for the Civil Service as such, and in the normal way they get no training afterwards, and by training I mean really two things : first, special training in the work of the particular department, and second, training in Civil Service methods generally. I do not know whether it is still customary, but when I was in the Civil Service it was perfectly possible and indeed normal for people to deal with accounts and figures who had never learnt anything about the subject except by being put to do it when they came into the Service. Accounting and finance are not peculiar to the Civil Service. They are an art in themselves. One department—the Exchequer and Audit Department—has

recognized the desirability of training in these matters, and does send bodies of its men regularly to take classes at the London School of Economics, in Accounting and Business Methods.

You may get a man coming into the Civil Service and having to deal with fundamental questions about labour or other economic issues, and he may have to do that without ever having read a book on economics or ever come across a workman, or having any idea about labour except that he may have seen a charwoman, or if he is a University man he may have had a college servant. So also you may have men dealing with prisons without having seen the inside of a prison except by accident, or read a word about theories of punishment. The whole Civil Service as such is mainly a service for administering law, but there is nothing whatever to require or encourage a Civil Servant to learn anything about law. Again, a man may deal with local government and the guidance of local authorities, and nobody ever suggests to him that there are local authorities and local government in other countries than his own, and that they may have many of the same problems to deal with ; and that it might be useful for him to make a comparative study of such institutions elsewhere. I want to make a point of comparative administration, because owing to the lack of it, a man does not get into his mind the fact that there are alternatives. A comparative study of other countries is one of the best antidotes to getting and staying in a groove ; it prevents conservatism, which is one of

the commonest charges against the Civil Service.

Well, I just mention one or two cases of special training. There is quite a general side also to this question of training for Civil Service work. One of the developments to which I myself look forward in the future is the development of the idea that there really is an art of public administration, just as there is an art of Engineering or of Architecture. Politics, business, and public administration are quite distinct things, and you may be exceedingly successful at any one of them without being a success at any other. I can quote a striking instance of that. By common consent one of the most successful of the new men of the Cabinet in politics is one without previous training in administration, the present Chancellor of the Exchequer, a lecturer on philosophy and a lawyer. He is not a business man, and yet he gets on better than any other and holds his own better with the people whom we used during the war to despise as "politicians." I think it is remarkable the way politicians have come back to their own. I do not say they are all that can be desired. At any rate, you do not see that success in business necessarily means success in politics. I am going to take as a very striking instance of that the case of the Cabinet Minister under whom I myself served with the greatest pleasure, namely, Lord Rhondda. He was a most successful business man and the most successful head of a department, when there were no politics to be done, but he never came to the front in politics.

As to business, we Civil Servants are very apt to compare our own exiguous salaries with what is paid very often in business, and we are inclined to think, and perhaps with justice, that we are much cleverer than business men who make much more money. But we ought not to encourage among ourselves the illusion that we should make as much money ourselves if we went into business, and that it would be worth the while of any business man to pay us the same salary. I do not think in the Civil Service men necessarily acquire capabilities which make for success in business.

As to administration, during the war business men and Civil Servants met together for mutual improvement, and incidentally to try to help the nation, in Government departments, and they certainly learnt there, I hope, a great deal of the differences between business and public administration. Of course, one must remember, as I have just said in regard to Lord Rhondda, that a great deal of public administration in the war *was* business. The State was going into trade. I can illustrate that from my own department—the Ministry of Food, as between two things the Ministry of Food did, the Wheat Commission and Rationing.

The Wheat Commission was essentially an affair of buying and selling. The main part of it was carrying on trade on quite an unprecedented scale, and that was run by business men, though not men who were previously in the food trade, and they proceeded, with immense success, to buy and sell

and organize transport, to carry out essentially old operations though on somewhat new lines.

The other thing was Rationing, and that was pure administration. It was the carrying out of positive law of a quite new kind, and I can say at once that it was almost mainly the work of Civil Servants, if not wholly, though many good suggestions came from those who were not Civil Servants. I am very proud of that from the point of view of the Civil Servants. I do not think it was accidental that it should be done by Civil Servants, because it needed two qualities—precision and co-operation. It needed precision in thinking out all sorts of forms of regulations, cards, and everything else, because you were going to multiply by several millions any documents printed, and any error caused immense confusion. Precision is one of the things you do learn in the Civil Service, and do not learn to the same extent in business, because you do not have to deal with everybody on the same lines in business, and you do not have to answer parliamentary questions. You do not have to keep the same amount of records.

And again, it needed above all co-operation. I think I may say at once that so far from being the work of one or two people, rationing could only be done by co-operation, by a number of different persons all contributing ideas; they were very often very firm that their own ideas were the only right ones. I am glad to say that when we differed from one another we did not offer to resign, or say that we

must have a free hand ; but we did thrash out the scheme and co-operated in it, and but for that co-operation I do not think the thing could have been done. That practice of co-operation is essentially one of the things the Civil Servant has got to learn. Precision and co-operation are really less important in business than certain other qualities ; business needs much more of what is called " personality," decision, speed and judgment.

I have mentioned some of the special conditions of Civil Service work, the need for treating all men alike, the subjection to constant criticism, and the variety of different points of view. There are reasons why the Civil Servant, as distinct from the business man, acts as he does. There are reasons, for instance, why the Civil Servant attempts to deal with correspondence from the bottom rather than from the top, sending all letters first to the lowest person, and working up with minutes and suggestions ; there are reasons why he writes minutes instead of going and talking to the man next door ; why he thinks it is indecent to look at a letter while it is unclothed and before it has been put into a jacket ; why he takes one month or even three months to answer a letter. Until you understand those reasons you cannot criticize the Civil Service methods or improve them.

I think it is most important to get a comparative study made of Government methods and business methods of administration, and see why one works in one way and one in another, and to see where the Civil Service methods can be improved. Well,

that really all bears on the question of general training in the Civil Service. There are certain general conditions of public administration which make certain methods suitable there which are not suitable or necessary in other forms of administration.

I come now to the third point for the future. I have been speaking of the Civil Service as if it would only have its old problems of mainly administering law and of raising taxation to deal with, but there are other things. Of course, it is perfectly possible in place of that we may get whole series of new departments. The State went into trade during the war; it may, of course, go into trade again. It may go into business as an owner of coal-mines. I may say at once that I am not here to advocate that policy or any other, but there is that possibility and there are many others. You may get to the state of having to undertake in future work of quite different type from the administering of law, the raising of taxation, and the spending of money. And if you do that I think you will have probably to revise for those particular services both your methods of appointment, pay and promotion, and your methods of training. I do not want to go into these in detail, as the case is absolutely hypothetical, but I do not want to leave it out.

I now come back to the main problem of training. What is the practical conclusion? The main defect of the Civil Servant of the present is that nobody does take the trouble to see that he gets

any special training for his work, anything beyond learning his job by doing it, that is to say, by rule of thumb.

The general remedy for that is to develop the idea that there is really an art of public administration. The Civil Service is now a profession, and I should like it to become and realize itself as a *learned* profession; if that is to happen it must come as a demand from Civil Servants themselves. The obvious means of doing that is the establishment of the proposed Institute of Public Administration. I warmly welcome that movement as a means by which Civil Servants may meet regularly to make a national pool of their ideas, to work out technique of administration, by discussion, and papers, and so on; to educate themselves and incidentally the public as to what the Civil Service is and what work it does. Thus, such a body will obviously take up the whole question of the further training of Civil Servants, both generally in Civil Service methods, and specially for particular work which they have in view. I do not mean that such an Institute should necessarily go in for a large amount of teaching. Probably the less it does in that way the better. There are plenty of other educational bodies. But you do want an educational association like such an Institute to consider what courses would be suitable and advantageous; to consult the Universities to see what courses can be arranged to work up possibly for a diploma or some such standard of study, in the subjects which are necessary for the perfect Civil Servant.

Then, again, such an Institute would obviously discuss such new problems as I have mentioned, and the method of dealing with the new problems that may arise. Thus the whole scope of the Civil Service would be permanently enlarged as it was enlarged temporarily during the war. That seems to me practically the way in which we should realize and give concrete form to the idea that there is an art of public administration. Public administration cannot be learnt merely by doing it ; you want bodies analogous to other professions with high technical skill, such as engineering, architecture, etc., to promote the study of that art.

Well, I have already taken longer than I meant, because I hope that you are going to hear Lord Haldane and you are going to ask questions. I merely conclude by saying that looking to the future I certainly do not see any prospect of diminution in the importance of the Civil Service. There may be new types of work more akin to business, requiring new types of training. Whether that happens or not, economics and politics are certainly coming closer together. The whole sphere of communal action must of itself enlarge, and we need, and shall need still more in the future, to secure for the public service the best material or some of the best material that the nation can produce in ability, and in character, and to make the best use of that material when we have got it.

I do not think that means any very revolutionary changes in what we do at the present time. The main lines of the Civil Service will, I hope, go on

in future as they have in the past. When I spoke of the triple vow of poverty, anonymity and obedience, this was not wholly flippant. The Civil Service must in a very real sense belong to an Order under a vow. It would be disastrous if Civil Servants gave up the idea of working as hard as they could for their salary, if they gave up that idea for the idea of adjusting their efforts to the pay which they were getting. It would be no less disastrous if they were to abandon anonymity for applause ; or if they stepped beyond giving advice on policy, to try and dictate policy.

All I want added to the present Civil Service is a greater understanding of the nature of the Service and of its conditions. It is one of the very finest professions, and one to which I am exceedingly proud to have belonged. I shall be even more proud if I can in any way serve in the future. I want it to become more than a profession, to improve in training and corporate spirit ; to realize itself as a learned profession, and as a community of service.

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